



GD Express Carrier Berhad

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

Condensed Consolidated Income Statement

For the First Quarter Ended 30 September 2006

(The figures have not been audited)

	Individual		Cumulative	
	Current Year First Quarter 30.09.2006 (RM'000)	Preceding Year Corresponding Quarter 30.09.2005 (RM'000)	Current Year To Date 30.09.2006 (RM'000)	Preceding Year To Date 30.09.2005 (RM'000)
Revenue	13,799	10,537	13,799	10,537
Operating expenses	(13,045)	(10,321)	(13,045)	(10,321)
Other operating income	99	114	99	114
Profit from operations	853	330	853	330
Finance cost	(88)	(51)	(88)	(51)
Profit before tax	765	279	765	279
Income tax expense	(206)	(87)	(206)	(87)
Net profit	<u>559</u>	<u>192</u>	<u>559</u>	<u>192</u>
Earnings per share of RM0.10 each (sen)	<u>0.22</u>	<u>0.09</u>	<u>0.22</u>	<u>0.09</u>

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2006 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Balance Sheet
As at 30 September 2006
(The figures have not been audited)

	As At End Of Current Quarter 30.09.2006 (RM'000)	Audited As At Preceding Financial Year Ended 30.6.2006 (RM'000)
Property, plant and equipment	13,819	13,102
Goodwill	137	137
Intangible asset	2,497	2,509
Other receivable – non-current portion	697	929
Current Assets		
Inventories	179	269
Trade receivables	12,324	10,856
Other receivables and prepaid expenses	4,436	3,929
Deposits with licenced banks	8,748	9,214
Cash and bank balances	684	644
Total Current Assets	26,371	24,912
Current Liabilities		
Trade payables	3,453	2,732
Other payables and accrued expenses	1,704	1,333
Hire-purchase payables - current portion	1,607	1,620
Borrowings (secured) - current portion	409	246
Total Current Liabilities	7,173	5,931
Net Current Assets	19,198	18,981
Non-Current and Deferred Liabilities		
Hire-purchase payables - non-current portion	1,724	1,546
Borrowings (secured) - non-current portion	1,014	1,061
Deferred tax liabilities	361	361
Total Long-term and Deferred Liabilities	3,099	2,968
Net Assets	<u>33,249</u>	<u>32,690</u>
Represented by:		
Issued capital	25,719	25,719
Reserves	<u>7,530</u>	<u>6,971</u>
	<u>33,249</u>	<u>32,690</u>
Net assets per share of RM0.10 each (RM)	<u>0.13</u>	<u>0.13</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2006 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For the First Quarter Ended 30 September 2006
(The figures have not been audited)

	Issued capital (RM'000)	Share premium (RM'000)	Reserve On consolidation (RM'000)	Unappropriated profit (RM'000)	Total (RM'000)
Balance as of 1 July 2006	25,719	627	2,970	3,374	32,690
Net profit for the period	-	-	-	559	559
Effects of adopting FRS 3	-	-	(2,970)	2,970	-
Balance as of 30 September 2006	<u>25,719</u>	<u>627</u>	<u>-</u>	<u>6,903</u>	<u>33,249</u>
Balance as of 1 July 2005	20,575	5,972	2,970	2,168	31,685
Net profit for the period	-	-	-	192	192
Balance as of 30 September 2005	<u>20,575</u>	<u>5,972</u>	<u>2,970</u>	<u>2,360</u>	<u>31,877</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2006 and the accompanying explanatory note attached to the interim financial statements.

**Condensed Consolidated Cash Flow Statement
For the First Quarter Ended 30 September 2006
(The figures have not been audited)**

	Current Year To date Ended 30.09.2006 (RM'000)	Audited As At Preceding Financial Year Ended 30.09.2005 (RM'000)
Cash flows from operating activities		
Profit before tax	765	279
Adjustments for non-cash items	1,045	658
Operating profit before working capital changes	1,810	937
Changes in working capital:		
Net change in current assets	(1,502)	(253)
Net change in current liabilities	1,092	132
Cash flows from operations	1,400	816
Income tax paid	(142)	(183)
Net cash from operating activities	1,258	633
Cash flows used in investing activities		
Additions of fixed assets	(1,679)	(388)
Others	-	100
Deposit paid for the purchase of leasehold land	(275)	-
Interest received	76	-
Net cash used in investing activities	(1,878)	(288)
Cash flows used in financing activity		
Drawdown of borrowing	705	-
Repayment of term loan and hire purchase payables	(600)	(329)
Finance cost paid	(88)	-
Net cash used in financing activities	17	(329)
Net (decrease) / increase in cash and cash equivalents	(603)	16
Cash and cash equivalents at beginning of period	9,510	11,530
Cash and cash equivalents at end of period	8,907	11,546
Cash and bank balances	684	940
Deposits with licensed bank	8,748	10,951
Bank overdraft	(180)	-
	9,252	11,891
Less: fixed deposits pledged with a licensed bank	(345)	(345)
	8,907	11,546

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2006 and the accompanying explanatory notes attached to the interim financial statements.

Notes To The Interim Financial Report For the period ended 30 September 2006

1. Accounting Policies and Basis of Preparation

The interim financial statements of the Group have been prepared in accordance with Financial Reporting Standard (FRS) 134 Interim Financial Reporting and Chapter 9 Paragraph 9.22 (Appendix 9B) of the Listing Requirements for the MESDAQ Market of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2006. The same accounting policies and methods of computation are followed in these interim financial statements as compared with the annual financial statements for the year ended 30 June 2006, except for the adoption of the following new/revised standards mandatory for annual periods beginning on or after 1 January 2006 :-

FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates & Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated & Separate Financial Statements
FRS 132	Financial Instruments : Disclosures & Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

The adoption of new/revised FRSs does not have significant financial impact on the Group except as disclosed below :

FRS 3 : Business Combinations

Negative Goodwill On Consolidation

Previously Negative Goodwill on Consolidation is retained in the Balance Sheet, with the adoption of FRS 3, Negative Goodwill is now taken to the Income Statement as and when arise. Existing Negative Goodwill has been derecognised by an adjustment to the opening retained earnings.

Goodwill on Consolidation

Previously Goodwill on Consolidation is capitalised and amortised over a period of 10 years. With the adoption of FRS 3, goodwill will now be carried at cost less impairment losses. Goodwill will be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

The above changes in accounting policy have been accounted for prospectively and in accordance with FRS 3, the Group has taken Negative Goodwill on Consolidation as at 30 September 2006 to Unappropriated Profits as follows :

<u>Condensed Consolidated Statement of Changes in Equity</u>	As previously reported (RM'000)	Effect (RM'000)	As restated (RM'000)
Unappropriated profit brought forward	3,374	2,970	6,344
Reserve on Consolidation	2,970	(2,970)	-

FRS 101 : Presentation of Financial Statements

The adoption of the revised FRS 101 has give rise to new classes of assets and liabilities which are required to be reported on the face of the consolidated balance sheet. The comparative figures are restated to conform with the new presentation as follows :-

<u>Balance Sheet</u>	As previously reported (RM'000)	Effect (RM'000)	As restated (RM'000)
Property, Plant and Equipment	15,611	(2,509)	13,102
Intangible Asset – Prepaid Lease Payment	-	2,509	2,509

2. Auditor's Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2006 was not qualified.

3. Comments on Seasonal and Cyclical Factors

The Group's performance is affected by the lower deliveries during the months with numerous public and festive holidays.

4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income Or Cash Flow

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow for the current quarter and financial period year to date.

5. Material Changes in Estimates

There were no changes in estimates that have a material effect on the current quarter and financial period year to date.

6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities, share buy-back, share cancellation and resale of treasury shares for the current quarter and financial period year to date.

7. Dividends Paid

There were no dividends paid in the current quarter and the financial period year to date.

8. Segmental Information

The Group operates predominantly in Malaysia and is principally involved in the provision of express delivery and customised logistics solutions services.

9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward without any amendments from the previous annual financial statements.

10. Material Events Subsequent To Period End

There were no material events occurred subsequent to the end of the financial year ended 30 June 2006 that have not been reflected in this quarterly report.

11. Changes in the Composition of the Group

There are no changes in the composition of the Group in the current quarter and financial period year to date.

12. Contingent Assets or Liabilities

The Company provided two corporate guarantees amounting to RM4,750,000 to a financial institution and one corporate guarantee amounting to RM50,000 to a supplier for credit facilities granted to a subsidiary. Besides that, there were no changes in the contingent liabilities since the last annual balance sheet date.

13. Capital Commitments

There were no capital commitments not provided for in the financial statements for the quarter under review.

Additional Information Required By Bursa Malaysia Securities Berhad Listing Requirements

1. Review of Performance for the current quarter and financial period year to date

For the first quarter ended 30 September 2006, the Group's revenue and profit before tax ("PBT") increase by 31% and 73% to RM13.8 million and RM0.8 million respectively as compared to the same quarter in the preceding financial year. The Group's revenue continues to grow with higher demands for the Group's express carrier and customised logistics services. Beside that, the monthly revenue achieved exceeded the break even level of the Group's operations, hence, the PBT improved proportionately higher than the increase in Group's revenue.

2. Material Change in the Profit Before Tax for the Current Quarter as compared to the Immediate Preceding Quarter

The Group recorded a higher profit before tax ("PBT") of RM0.76 million for the first quarter ended 30 September 2006. As compared to the immediate preceding quarter ended 30 June 2006, the PBT for the first quarter increased by RM129,000 or 20%. As the monthly revenue achieved in this quarter exceeded the break even level, hence, the profit before tax improved proportionately higher than the increase in revenue.

3. Prospect of the Group

The Directors are of the opinion that the results for the financial year ending 30 June 2007 will be satisfactory. The Group will continue to upgrade the existing network and infrastructure, employ additional sales, marketing and technical staff to enhance the service standard, which will enable the Group to secure more business.

4. Profit Forecast

The Company did not disclose any profit forecast or guarantee for this financial period.

5. Taxation

The taxation figures are as follows:

	Current Quarter (RM'000)	Cumulative Year to Date (RM'000)
Estimated current tax payable	<u>206</u>	<u>206</u>

The provision for current year income tax payable is calculated at the Malaysian statutory tax rate of 27% of the estimated assessable profit for the financial period year to date.

6. Unquoted Securities and/or Properties

There were no purchases or disposal of any unquoted securities and/or properties for the current quarter and financial period year to date.

7. Quoted Securities

There were no purchases or disposal of any quoted securities for the current quarter and financial period year to date.

8. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement other than the following:

A) Utilisation of Proceeds

The utilisation of proceeds from the Initial Public Offer ('IPO') is as follows:

Purpose	Proposed Utilisation RM'000	Re-allocation RM'000	Total RM'000	Actual Utilisation RM'000	Balance RM'000
Proposed upgrading of GDEX's network and infrastructure	4,800		4,800	3,567	1,233
Working capital	3,700	972	4,672	4,672	0
Estimated listing expenses	2,000	-972	1,028	1,028	0
	<u>10,500</u>	<u>0</u>	<u>10,500</u>	<u>9,267</u>	<u>1,233</u>

The unutilised proceeds for the listing expenses of RM0.972 million has been re-allocated for the working capital purposes of the Group.

B) Proposed Private Placement and Bonus Issue

- 1) On 12 October 2005, the Company announced a proposed private placement of up to 25,718,604 new ordinary shares of RM0.10 each in the Company (as the proposed bonus issues of up to 51,437,208 new ordinary shares of RM0.10 each has been implemented on 8 May 2006), representing 10% of the issued and paid-up share capital of the Company at an issue price to be determined and announced later.
- 2) The Securities Commission has via its letter dated 8 December 2005, approved the Proposed Placement under Section 32(5) of the SC Act 1993, Listing Requirements of the Bursa Malaysia Securities Berhad for the MESDAQ Market and Guideline on the Acquisition of Interest, Mergers and Take-Overs by Local and Foreign Interest.

- 3) The shareholders approved the resolutions relating to the proposed private placement at the Extraordinary General Meeting, which was held on 25 January 2006.
- 4) The Securities Commission has via its letter dated 6 June 2006 granted an extension of time up to 8 December 2006 to implement the Private Placement mentioned in (2) above.

C) Acquisition of Leasehold Land with a Building Erected Thereon

On 29 August 2006, the Board of Directors announced that the Company had on even date entered into a Sale and Purchase Agreement ("SPA") with Lembaga Tabung Haji to acquire a piece of leasehold land together with a building erected thereon and bearing postal address of No. 19, Jalan Tandang, 46050 Petaling Jaya, Selangor for a total cash consideration of Ringgit Malaysia Five Million and Five Hundred Thousand (RM5,500,000) only.

D) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

On 27 October 2006, the Board of Directors announced that the Company will be seeking shareholders' approval on the Proposed Renewal of Shareholders' Mandate which is necessary for the day-to-day operation of the Group at its forthcoming Third Annual General Meeting of the Company.

The Circular to shareholders containing information on the Proposed Renewal of Shareholders' Mandate will be dispatched to the shareholders in due course.

9. Group Borrowings

The Group borrowings consist of the following:

	RM'000
Bank overdraft (secured)	180
Hire purchase payables	
Payable within 12 months	1,607
Payable after 12 months	1,724
Long-term borrowings (secured):	
Payable within 12 months	229
Payable after 12 months	1,014
Total borrowings	4,754

All the above borrowings are denominated in Ringgit Malaysia.

10. Financial Instruments

There are no off balance sheet financial instruments as at the date of the quarterly report.

11. Material Litigations

There were no further developments to matters previously disclosed in the audited financial statements for the year ended 30 June 2006.

12. Dividends

No dividends were declared during the quarter or the financial period year to date.

13. Earnings Per Share

i. Basic

The basic earnings per share is calculated by dividing the net profit for the period by the number of ordinary shares in issue during the period.

	Current Year Quarter 30.09.2006 (RM'000)	Current Year To Date 30.09.2006 (RM'000)
Net profit attributable to ordinary shareholders	559	559
Number of ordinary shares of RM0.10 each in issue (units)	257,186,038	257,186,038
Basic earnings per share of RM0.10 each (sen)	<u>0.22</u>	<u>0.22</u>

ii. Diluted

The Company does not have any convertible shares or convertible financial instruments for the current quarter and financial period year to date.

By Order of the Board

Nuruluyun Binti Abdul Jabar (MIA 9113)
Woo Ying Pun (MAICSA 7001280)
Secretaries
14 November 2006