



GD Express Carrier Berhad

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

The Quarterly Report on consolidated results for the third quarter ended 31 March 2006. The figures have not been audited.

Condensed Consolidated Income Statement

For the Third Quarter Ended 31 March 2006

(The figures have not been audited)

	Individual		Cumulative	
	Current Year Quarter 31.03.2006 (RM'000)	Preceding Year Corresponding Quarter 31.03.2005 (RM'000)	Current Year To Date 31.03.2006 (RM'000)	Preceding Year To Date 31.03.2005 (RM'000)
Revenue	11,570	6,065	33,360	6,065
Operating expenses	(11,397)	(5,692)	(32,400)	(5,699)
Other operating income	85	925	316	925
Profit from operations	258	1,298	1,276	1,291
Finance cost	(71)	(34)	(184)	(34)
Profit before tax	187	1,264	1,092	1,257
Income tax expense	(67)	(363)	(349)	(363)
Net profit	120	901	743	894
Earnings per share of RM0.10 each (sen)	0.06	0.91	0.36	2.76

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2005.

Condensed Consolidated Balance Sheet
As at 31 March 2006
(The figures have not been audited)

	As At End Of Current Quarter 31.03.2006 (RM'000)	Audited As At Preceding Financial Year Ended 30.6.2005 (RM'000)
Property, plant and equipment	13,856	13,307
Goodwill	141	150
Current Assets		
Inventories	301	295
Trade receivables	11,499	10,396
Other receivables and prepaid expenses	5,718	3,765
Tax recoverable	509	-
Deposits with licenced banks	9,179	10,941
Cash and bank balances	1,851	933
Total Current Assets	29,057	26,330
Current Liabilities		
Trade payables	3,187	3,015
Other payables and accrued expenses	3,765	1,994
Hire-purchase payables - current portion	1,000	733
Borrowings (secured) - current portion	242	239
Provision for taxation	80	-
Total Current Liabilities	8,274	5,981
Net Current Assets	20,783	20,349
Non-Current and Deferred Liabilities		
Hire-purchase payables - non-current portion	1,077	663
Borrowings (secured) - non-current portion	982	1,165
Deferred tax liabilities	293	293
Total Long-term and Deferred Liabilities	2,352	2,121
Net Assets	<u>32,428</u>	<u>31,685</u>
Represented by:		
Issued capital	20,575	20,575
Reserves	<u>11,853</u>	<u>11,110</u>
	<u>32,428</u>	<u>31,685</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.1576</u>	<u>0.1540</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2005.

Condensed Consolidated Statement of Changes in Equity
For the Third Quarter Ended 31 March 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 2005	20,575	5,972	2,970	2,168	31,685
Net profit for the period	-	-	-	743	743
Balance as of 31 March 2006	<u>20,575</u>	<u>5,972</u>	<u>2,970</u>	<u>2,911</u>	<u>32,428</u>
Balance as of 1 July 2004	-	-	-	(75)	(75)
Net profit for the period	-	-	-	894	894
Arising from the acquisition of GD Express Sdn Bhd GD Technosystems Sdn Bhd and IT Software	17,075	2,970	-	-	20,045
Balance as of 31 March 2005	<u>17,075</u>	<u>2,970</u>	<u>-</u>	<u>819</u>	<u>20,864</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 2005.

**Condensed Consolidated Cash Flow Statement
For the Third Quarter Ended 31 March 2006
(The figures have not been audited)**

	Current Year To Date Ended 31.03.2006 (RM'000)	Corresponding Year To Date Ended 31.03.2005 (RM'000)
Cash flows from/(used in) operating activities		
Profit before tax	1,092	1,257
Adjustments for non-cash items	2,188	(179)
Operating profit before working capital changes	<u>3,280</u>	<u>1,078</u>
Changes in working capital:		
Net change in current assets	(3,063)	252
Net change in current liabilities	2,005	90
Cash flows from operations	<u>2,222</u>	<u>1,420</u>
Income tax paid	(845)	-
Net cash from operating activities	<u>1,377</u>	<u>1,420</u>
Cash flows from/(used in) investing activities		
Additions to fixed assets	(2,872)	(527)
Proceeds from disposal of fixed assets	11	-
Acquisition of subsidiary, net of cash and cash equivalent	2	2,218
Interest received	320	3
Net cash used in investing activities	<u>(2,539)</u>	<u>1,694</u>
Cash flows used in financing activity		
Repayment of borrowings	(1,243)	(180)
Drawdown of borrowing	1,744	-
Finance cost paid	(184)	(34)
Net cash from financing activities	<u>317</u>	<u>(214)</u>
Net decrease in cash and cash equivalents	<u>(845)</u>	<u>2,900</u>
Cash and cash equivalents at beginning of period	11,530	0
Cash and cash equivalents at end of period	<u><u>10,685</u></u>	<u><u>2,900</u></u>
Cash and bank balances	1,851	2,266
Deposits with licensed bank	9,179	979
	<u>10,030</u>	<u>3,245</u>
Less: fixed deposits pledged with a licensed bank	(345)	(345)
	<u><u>10,685</u></u>	<u><u>2,900</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2005.

Notes To The Interim Financial Report

1. Accounting Policies

The interim financial statements have been prepared in accordance with the FRS 134 Interim Financial Reporting and Chapter 7 Part VI (Appendix 7A) of the Listing Requirements for the MESDAQ Market of Bursa Malaysia Securities Berhad. 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 2005.

2. Auditor's Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2005 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 Due to their Nature, Size or Incidence

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

5. 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 for the 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.

The subsidiary in Singapore, GD Express (Singapore) Pte Ltd which was incorporated on 21 November 2005 has not commenced operation yet.

9. Carrying Amount of Revalued Assets

All the property, plant and equipment of the Group are stated at historical cost in the financial statements.

10. Subsequent Events

There were no material events occurred subsequent to the end of the quarter under review.

11. Changes in the Composition of the Group

There are no changes in the composition of the Group in the current quarter and financial year to date other than the following:

- a. On 21 November 2005, the Company incorporated a wholly-owned subsidiary in Singapore, namely GD Express (Singapore) Pte Ltd with an authorised share capital of SGD1 million and paid-up share capital of SGD2.00 comprising of 2 ordinary shares SGD1.00 each.
- b. On 15 December 2005, the Company through its wholly owned subsidiary, GD Express Sdn Bhd acquired the entire issued and paid-up share capital of GD Materials Distribution Sdn Bhd comprising 2 ordinary shares of RM1.00 each for a total cash consideration of RM2.00.

12. Contingent Liabilities

There were no changes in the contingent liabilities since the last annual balance sheet date.

13. Taxation

The taxation figures are as follows:

	Current Quarter (RM'000)	Cumulative Year to Date (RM'000)
Estimated current tax payable	67	349
	67	349

The effective tax rate for the quarter and year to date is 32% as compared to the statutory tax rate of 28%. The higher effective tax rate was due mainly to certain expenses that are not deductible in determining taxable profit.

14. 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.

15. Quoted Securities

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

16. 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	1,202	3,598
Working capital	3,700	972	4,672	4,189	483
Estimated listing expenses	2,000	-972	1,028	1,028	0
	10,500	0	10,500	6,419	4,081

The unutilised proceeds for the listing expenses of RM0.972 million shall be 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 its intention to undertake the following:
 - a) Proposed private placement of up to 20,574,883 new ordinary shares of RM0.10 each in GD Express Carrier Berhad (“GDEX”) (or up to 25,718,604 placement shares if the proposed bonus issue is implemented before the proposed placement), representing up to ten percent (10%) of the issued and paid up capital of the Company at issue price(s) to be determined and announced later.
 - b) Proposed bonus issue of up to 56,580,928 new GDEX shares (or 51,437,208 bonus shares if the proposed bonus issue is implemented before the proposed placement), to be credited as fully paid-up, on the basis of one (1) bonus share for every four (4) existing GDEX shares held on an entitlement date to be determined and announced later.
- 2) On 9 November 2005, the Company further announced that part of the proceeds from the proposed private placement, which was initially intended for the business expansion in Thailand, has been reduced from RM9.658 million as originally proposed to RM6.0 million. This is due to the investment in Thailand may be subject to foreign shareholdings restriction. The remaining balances of RM3.658 million will be used to finance the Group’s working capital requirement which is expected to be utilised to finance, amongst others, the anticipated business expansion of the Group in Malaysia as well as for the development of new products and services.
- 3) 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 Takeovers by Local and Foreign Interest.
- 4) The shareholders approved the resolutions relating to the proposed private placement and bonus issue at the Extraordinary General Meeting, which was held on 25 January 2006.
- 5) The additional 51,437,208 ordinary shares of RM0.10 each arising from the bonus issue stated in 1 (b) above has been granted listing and quotation with effect from 9.00 a.m., 8 May 2006.

17. Group Borrowings

The Group borrowings consist of the following:

	RM'000
Hire purchase payables	
Payable within 12 months	1,000
Payable after 12 months	1,077
Long-term borrowings (secured):	
Payable within 12 months	242
Payable after 12 months	982
Total borrowings	<u><u>3,301</u></u>

All the above borrowings are denominated in Ringgit Malaysia.

18. Financial Instruments

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

19. Material Litigations

There were no further developments to matters previously disclosed in the audited financial statements for the year ended 30 June 2005.

20. Material Change in Profit Before Tax as Compared to the Immediate Preceding Quarter

The Group recorded a lower profit before tax ("PBT") of RM0.2 million for the third quarter ended 31 March 2006. As compared to the immediate preceding quarter ended 31 December 2005, the PBT for the third quarter decreased by 67%, as the Group incurred higher marketing expenses to promote its business and employed more sales, marketing and technical staff to offer better service quality. Despite of the festive holiday during this quarter, the revenue has increased by 3% as compared to the immediate preceding quarter as a result of the intensive marketing effort deployed.

21. Performance of the Group

The Group achieved the revenue of RM33.4 million for the nine months ended 31 March 2006. For the period under review, the Group recorded a PBT and profit after tax ("PAT") of RM1.1 million and RM0.7 million respectively. The Group's revenue continues to grow with higher demands for the Group's express carrier and customised logistics services.

22. Prospect of the Group

The Directors are of the opinion that the results for the financial year ending 30 June 2006 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.

23. Variance from Profit Forecast

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

24. Dividends

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

25. 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 31.03.2006 (RM'000)	Current Year To Date 31.03.2006 (RM'000)
Net profit attributable to to ordinary shareholders	120	743
Number of ordinary shares of RM0.10 each in issue (units)	205,748,830	205,748,830
Basic earnings per share of RM0.10 each (sen)	<u>0.06</u>	<u>0.36</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

24 May 2006