



GD Express Carrier Berhad

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

Unaudited Condensed Consolidated Statement of Comprehensive Income For the Third Quarter Ended 31 March 2011

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	Current Financial Year Third Quarter Ended 31.03.2011 (RM'000)	Preceding Financial Year To Date Ended 31.03.2010 (RM'000)	Current Financial Year To Date Ended 31.03.2011 (RM'000)	Preceding Financial Year To Date Ended 31.03.2010 (RM'000)
1. Revenue	23,109	20,495	67,765	60,453
2. Operating expenses	(21,013)	(18,903)	(61,703)	(55,588)
3. Other operating income	69	165	297	436
4. Profit from operations	2,165	1,757	6,359	5,301
5. Finance costs	(324)	(112)	(680)	(359)
6. Profit before tax	1,841	1,645	5,679	4,942
7. Taxation	(535)	(398)	(1,516)	(1,344)
8. Net profit for the period	1,306	1,247	4,163	3,598
Other comprehensive income:				
9. Foreign currency translation differences for foreign operation	(26)	60	(40)	54
	(26)	60	(40)	54
10. Total comprehensive income for the period	1,280	1,307	4,123	3,652
11. Profit attributable to shareholders of the company	1,306	1,247	4,163	3,598
12. Earnings per share :				
(a) Basic EPS (sen)	0.51	0.48	1.62	1.40
(b) Fully diluted EPS (sen)	0.49	-	1.60	-

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



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Unaudited Condensed Consolidated Statement of Financial Position As At 31 March 2011

	Unaudited As At End Of Current Quarter 31.03.2011 (RM'000)	Audited As At Preceding Financial Year Ended 30.06.2010 (RM'000)
Assets		
Non-current assets		
Property, plant and equipment	44,218	21,414
Intangible assets –Goodwill	137	137
Deferred tax assets	31	31
	44,386	21,582
Current assets		
Inventories	341	372
Trade and other receivables	23,991	23,629
Deposits with licensed banks	5,354	7,869
Cash and bank balances	5,288	3,953
	34,974	35,823
Current liabilities		
Trade and other payables	9,894	7,225
Hire-purchase payables - current portion	2,378	2,069
Term loans (secured) - current portion	1,741	303
Provision for taxation	580	1,027
	14,593	10,624
Net current assets	20,381	25,199
	64,767	46,781
Financed by:		
Capital and reserves		
Share capital	25,719	25,719
Share premium	618	618
Revaluation reserve	400	409
Translation reserve	(38)	2
Retained earnings	17,239	15,639
Shareholders' funds	43,938	42,387
Non-Current Liabilities		
Provision for retirement benefits	75	73
Hire-purchase payables	2,073	1,359
Term loans (secured)	18,341	2,622
Deferred tax liabilities	340	340
Total Non-current liabilities	20,829	4,394
	64,767	46,781
Net Assets per share attributable to owners of the company (RM)	0.17	0.16

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



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Unaudited Condensed Consolidated Statement of Cash Flows For the Nine Months Period Ended 31 March 2011

	9 Months Ended 31.03.2011 (RM'000)	9 Months Ended 31.03.2010 (RM'000)
Cash flows from operating activities		
Profit for the period	4,163	3,598
Adjustments for non-cash items	6,202	5,785
Operating profit before changes in working capital	<u>10,365</u>	<u>9,383</u>
(Increase)/Decrease in working capital		
Inventories	30	114
Receivables, deposits and prepayment	(361)	(2,583)
Payables and accruals	2,669	1,592
Cash generated from operations	<u>12,703</u>	<u>8,506</u>
Income tax paid	(1,964)	(916)
Net cash from operating activities	<u>10,739</u>	<u>7,590</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(27,105)	(933)
Deposit for acquisition of property	-	(2,080)
Proceeds from disposal of property, plant and equipment	171	187
Acquisition of subsidiaries, net of cash acquired	-	45
(Increase) in fixed deposits pledged with licensed bank	(1)	-
Interest received	151	153
Net cash used in investing activities	<u>(26,784)</u>	<u>(2,628)</u>
Cash flows from financing activities		
Term loan facilities drawdown	17,680	-
Dividends paid to shareholders of the Company	(2,572)	(2,572)
Repayment of term loans and Islamic bank facilities	(523)	(235)
Net payment of hire purchase payables	973	(2,467)
Finance costs paid	(680)	(359)
Net cash from /(used in) financing activities	<u>14,878</u>	<u>(5,633)</u>
Net change in cash and cash equivalents	<u>(1,167)</u>	<u>(671)</u>
Revaluation reserve	-	(8)
Effect of exchange difference	(15)	54
Cash and cash equivalents at beginning of year	<u>11,161</u>	<u>10,677</u>
Cash and cash equivalents at end of period	<u>9,979</u>	<u>10,052</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



GD Express Carrier Berhad

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Unaudited Condensed Consolidated Statement of Changes in Equity For the Third Quarter Ended 31 March 2011

	< ----- Attributable to Equity Holders of the Parent ----- >					
	Issued Share capital (RM'000)	Non – Distributable Share premium (RM'000)	Revaluation Reserve (RM'000)	Translation Reserve (RM'000)	Distributable Retained earnings (RM'000)	Total Equity (RM'000)
Balance as at 1 July 2009	25,719	618	417	(56)	12,246	38,944
Total comprehensive income for the period	-	-	(8)	54	3,606	3,652
Transactions with owners						
Dividends	-	-	-	-	(2,572)	(2,572)
Balance as at 31 March 2010	25,719	618	409	(2)	13,280	40,024
	Issued share capital (RM'000)	Non – Distributable Share premium (RM'000)	Revaluation Reserve (RM'000)	Translation Reserve (RM'000)	Distributable Retained earnings (RM'000)	Total Equity (RM'000)
Balance as at 1 July 2010	25,719	618	409	2	15,639	42,387
Total comprehensive income for the period	-	-	(9)	(40)	4,172	4,123
Transactions with owners						
Dividends	-	-	-	-	(2,572)	(2,572)
Balance as at 31 March 2011	25,719	618	400	(38)	17,239	43,938

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



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PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134 (“FRS 134”)

A1. Basis of Preparation

The interim financial report has been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group’s annual audited financial statements for the year ended 30 June 2010.

A2. Significant Accounting Policies

Except as described below, the accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 30 June 2010.

On 1 July 2010, the Group adopted the following FRS:-

Amendments to FRS 117, Leases (*effective for annual periods beginning on or after 1 January 2010*)

The amendments to FRS 117 clarify the classification of lease of land and require entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease.

The Group has reassessed and determined that all leasehold land are in substance finance lease and will be reclassified to property, plant and equipment. The adoption of these amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions and has no effect on reported profit and equity. This change in accounting policy will result in reclassification of the carrying amount of lease of land amounting to RM7,010,403 as at 30 June 2010 from prepaid lease payments to property, plant and equipment. The following comparative figures have been restated following the adoption of the amendments to FRS117:

Group	As reported 30 June 2010 (RM'000)	Adoption of FRS117 (RM'000)	As restated (RM'000)
Property, plant and equipment	14,403	7,010	21,413
Prepaid lease payment	7,010	(7,010)	-

A3. Audit Report on Preceding Annual Financial Statements

The Group annual financial statements for the year ended 30 June 2010 were not qualified.



A4. Seasonal or Cyclical Factors

The business operations of the Group are generally affected by lower deliveries during the month with numerous public and festive holidays.

A5. Exceptional Items

There were no exceptional items for the current financial quarter under review except for the effects arising from the adoption of FRS 117 as disclosed in Note 2.

A6. Changes in Estimates

There were no changes in estimates that have had any material effect on current financial quarter under review.

A7. Changes in Share Capital

There were no issuance and repayment of debt or any movement in the share capital for the current financial quarter under review.

A8. Dividend Paid

	9 Month Ended 31 March	
	2011	2010
	(RM'000)	(RM'000)
Final single tier dividends paid:		
2010 – 1 sen per share	2,572	-
2009 – 0.5 sen per share	-	1,286
Special single tier dividends paid		
2009 – 0.5 sen per share	-	1,286
	2,572	2,572

A9. Segmental Reporting

The Group operates predominantly in Malaysia and Singapore and is principally involved in the provision of express delivery and customised logistics solutions services. The segmental revenue, results and total assets for the financial period ended 31 March 2011 are tabulated below:

Geographical segments

	Malaysia	Singapore	Elimination	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue				
External sales	71,072	1,604	(4,911)	67,765
Inter-segment sales	(4,104)	(807)	4,911	-
External sales	66,968	797	-	67,765



<u>Results</u>				
Profit from operations	6,335	24	-	6,359
Finance costs	(658)	(22)	-	(680)
Profit before tax	<u>5,677</u>	<u>2</u>	<u>-</u>	<u>5,679</u>
 <u>Total assets</u>				
Segment assets/ Consolidated total assets	<u>77,323</u>	<u>2,037</u>	<u>-</u>	<u>79,360</u>

A10. Property, Plant and Equipment Valuation

There were no changes in the valuation of property, plant and equipment for the current financial quarter under review.

A11. Events Subsequent to the End of the Period

Between the end of the third quarter and the date of this announcement, there has not been any item, transaction or event of a material and unusual nature which, in the opinion of the Directors is likely to affect substantially the results of the operations of the Group for the quarter ended 31 March 2011.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations except for the following:-

On 28 September 2010, the Company announced that the Company acquired 2 ordinary shares of S\$1.00 each representing the entire equity interest in the capital of GDEX Regional Alliance Pte Ltd for a total cash consideration of S\$2.00.

A13. Changes in Contingent Liabilities or Contingent Assets

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

A14. Capital Commitments

All capital commitments undertaken have been included in the financial statements for the quarter under review.

A15. Significant Related Party Transactions

- a) GDEX's relationship with the interested related parties:
- (i) Mr. Teong Teck Lean is a common director and substantial shareholder in GDEX and GD Private Limited; and
 - (ii) Mr. Leong Chee Tong is a common director in GDEX and GD Private Limited.



A15. Significant Related Party Transactions (continued)

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

	Current Quarter Ended 31 March 2011 (RM'000)	Cumulative Current Quarter Ended 31 March 2011 (RM'000)
<u>GDX Private Limited</u>		
GD Technosystem Sdn Bhd		
- Software update and maintenance	74	221
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GD Express Sdn Bhd		
- Software training	146	438
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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

Performance for the quarter ended 31 March 2011 versus the same quarter in Year 2010

Group revenue for the third quarter ended 31 March increased by RM2.614 million or 12.8% compared to the corresponding quarter in the previous financial year.

Group profit before tax for the same quarter was higher at RM0.20 million or 11.9% compared to RM1.65 million in the corresponding quarter of the financial year 2010.

Performance for the 9 months ended 31 March 2011 versus the same period in Year 2010

For the 9 months ended 31 March 2011, Group revenue increased by 12.0% or RM7.312 million to RM67.765 million from RM60.453 million in the corresponding period of the previous financial year.

Profit before tax for the Group was higher by RM0.74 million or 14.9% compared to the corresponding period in the previous financial year.

This favorable performance is largely due to the higher demand for logistics services in the market, as business operators have deployed many innovative distribution mode that require express and secured delivery services.

B2. Comparison of Results with Preceding Quarter

Group revenue for the quarter under review was lower by RM0.22 million or 0.96% compared to RM23.332 million recorded for the preceding quarter.

Profit before tax for the Group for this quarter was lower by RM0.26 million or 12.4% compared to the preceding quarter.

This adverse performance is mainly caused by lesser number of business days during the quarter as compared to the immediate preceding quarter, as most of the customers have longer shut down period during the Chinese New Year holiday.



B3. Prospects

The Group expects the domestic economy to remain healthy. Whilst competition is expected to remain intense, the Group will continue to focus in strengthening its service quality, increasing handling capacity and streamlining process flow to drive operational efficiencies to ensure the long term sustainability of the Group.

Barring unforeseen circumstances, the Board is of the opinion that the Group's prospects will remain positive.

B4. Variance from Profit Forecast

No profit forecast was issued during the financial quarter under review.

B5. Taxation

Taxation in respect of the current financial period comprises the following:

	Current Year Quarter 31/03/2011 (RM'000)	Current Year To date 31/03/2011 (RM'000)
Taxation	535	1,516
Deferred taxation	-	-
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The Group's effective tax rate for the current financial quarter under review was higher than the statutory tax rate mainly due to certain expenses were disallowed for tax purposes.

B6. Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments or properties for the current financial quarter under review.

B7. Quoted Securities

There were no purchases or disposal of quoted securities for the current financial quarter under review.

B8. Status of Corporate Proposals

Save as disclosed below, there were no corporate proposals announced as at the date of this announcement:

On 10 November 2010, Hong Leong Investment Bank Berhad ("HLIB") had, on behalf of the Board announced that the Company proposed to undertake the following:-



Proposed special Bumiputera issue of up to 36,740,863 new GDEX Shares (“Special Issue Shares”), representing 12.5% of the enlarged issued and paid-up share capital of the Company, to Bumiputera investors to be identified and / or approved by the Ministry of International Trade and Industry (“MITI”) (“proposed Special Bumiputera Issue”).

Approvals have been obtained from shareholders and Bursa Malaysia Securities Berhad. On 10 February 2011, HLIB on behalf of the Company has submitted the applications to Securities Commission (Equity Compliance) and Ministry of International Trade and Industry and were approved on 8 March 2011 and 16 March 2011 respectively.

B9. Group Borrowings and Debt Securities

The Group borrowings consist of the following:

	(S\$'000)	(RM'000)
Short term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	-	2,149
Term loans	-	1,741
Denominated in Singapore Dollar		
Hire purchase payables	95	229
Long term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	-	1,936
Term loans	-	18,341
Denominated in Singapore Dollar		
Hire purchase payables	57	137
Total borrowings	152	24,533

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

B10. Financial Instruments

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

B11. Material Litigation

Save as disclosed below, 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.

T&T (“Plaintiff”) vs. GD Express (“Defendant”)

On 14 September 2005, T&T, a former business agent of GD Express commenced legal proceedings against GD Express for disputes on the amount owing for services rendered in the course of courier business. Based on GD Express’ record, T&T has double claimed for certain transactions and was also



reluctant to compensate for shipment lost in their possession. The total amount claimed by T&T was RM181,000. However, GD Express had made a payment to the Kuching Session Court for RM98,000 which has been paid out to the Plaintiff. On 31 December 2009, Kuching Sessions Court has passed a

judgment against GD Express to pay an additional judgment sum of RM61,949 to the Plaintiff and to refund franchise fees with interest of 8% interest per annum on the abovementioned judgment sum and franchisee fees calculated from the judgment date until full and final settlement of the said sum and fees. In addition, GD Express has to bear the Plaintiff's costs in relation to this trial which will be assessed at a later date.

On 27 April 2010, Kuching High Court had allowed the appeal made by GD Express and ordered that Kuching Session Court judgment which was passed on 31 December 2009 for the additional sum and franchise fees amounting to RM61,949.26 and RM40,000 respectively, be set aside with costs to be in favour of GD Express, being the Defendant. Subsequently, T&T has filed an appeal to the Court of Appeal in Putrajaya on 27 May 2010 and the Court of Appeal had granted leave to appeal to T&T and T&T had filed in the Notice of Appeal on 22 October 2010 and the Record of Appeal after that. This case is pending for the Court of Appeal to give a hearing date for the Appeal currently.

The Directors of GDEX, in consultation with GDEX's solicitors, are of the view that GDEX has a good defense against the abovementioned legal claim.

B12. Dividend

On 29 December 2010, the Company had declared and paid a final single tier dividend of 10% or 1 sen per share amounting to RM2,571,860 (2009: RM2,571,860) for the financial year ended 30 June 2010.

Save as disclosed above, there were no other dividends declared during the current quarter under review and financial period-to-date.

B13. Earnings Per Share

i. Basic Earnings Per Share

	Current Quarter 31.03.2011 (RM'000)	Current Year To Date 31.03.2011 (RM'000)
Net profit attributable to ordinary shareholders	1,306	4,163
Weighted average number of ordinary share of RM0.10 each in issue (units)	257,186,038	257,186,038
Basic earnings per share (sen)	0.51	1.62



B13. Earnings Per Share (continued)

ii. Diluted Earnings Per Share

	Current Quarter 31.03.2011 (RM'000)	Current Year To Date 31.03.2011 (RM'000)
Net profit attributable to ordinary shareholders	1,306	4,163
Weighted average number of ordinary share in issue (units)	257,186,038	257,186,038
Adjustment for share warrants	8,096,597	2,659,845
Weighted average number of ordinary shares (units)	265,282,635	259,845,504
Diluted earnings per share (sen)	0.49	1.60

B14. Realised and Unrealised Earnings Disclosure

	At the End of Current Quarter 31.03.2011 (RM'000)	At the End of Preceding Quarter 31.12.2010 (RM'000)
Total Retained Earnings of the Group:		
- Realised	16,927	15,596
- Unrealised	312	312
	17,239	15,908

B15. 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 23 May 2011

By Order of the Board

Wong Wai Foong (MAICSA 7001358)
Soo Shioh Fang (MAICSA 7044946)
Lim Lee Kuan (MAICSA 7017753)
Secretaries
Date: 23 May 2011