



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 2017

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To-Date	Corresponding
	31.12.2017	Quarter	31.12.2017	Period
	(RM'000)	31.12.2016	(RM'000)	31.12.2016
		(RM'000)		(RM'000)
Revenue	76,459	66,149	145,226	124,166
Operating expenses	(67,410)	(57,976)	(129,380)	(109,195)
Other operating income	3,436	2,997	6,338	6,155
Profit from operations	12,485	11,170	22,184	21,126
Finance costs	(445)	(318)	(846)	(654)
Share of post-tax (loss) / profit of associated company	(17)	8	6	8
Profit before tax	12,023	10,860	21,344	20,480
Taxation	(5,434)	(1,661)	(6,861)	(3,175)
Net profit for the period	6,589	9,199	14,483	17,305
Other comprehensive income:				
Foreign currency translation differences for foreign operations	(52)	55	(68)	84
	(52)	55	(68)	84
Total comprehensive income for the period	6,537	9,254	14,415	17,389
Profit attributable to owners of the company	6,589	9,199	14,483	17,305
Comprehensive income attributable to owners of the company	6,537	9,254	14,415	17,389
Earnings per share :				
Basic EPS (sen)	0.12	0.17	0.26	0.31
Fully diluted EPS (sen)	0.11	0.15	0.25	0.31

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 2017 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 2017

	Unaudited 31.12.2017 (RM'000)	Audited 30.06.2017 (RM'000)
ASSETS		
Non-current Assets		
Property, plant and equipment	74,661	68,061
Prepaid lease payments	21,773	22,038
Investment in associated company	5,666	5,661
Other investment	10,380	10,380
	112,480	106,140
Current Assets		
Inventories	1,225	1,555
Trade receivables	60,492	49,867
Other receivables and prepaid expenses	19,079	12,215
Tax recoverable	1,514	1,916
Deposits with licensed banks	299,676	289,578
Cash and bank balances	16,711	16,760
	398,697	371,891
Total Assets	511,177	478,031
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	313,837	313,837
Reserves	126,726	112,311
Total Equity	440,563	426,148
Non-Current Liabilities		
Hire-purchase payables – non-current portion	20,719	21,281
Provision for retirement benefits	282	282
Deferred tax liabilities	3,811	4,047
Total Non-current Liabilities	24,812	25,610
Current liabilities		
Trade payables	10,004	3,185
Other payables and accrued expenses	19,657	14,230
Hire-purchase payables - current portion	12,214	8,392
Short term borrowings (secured) - current portion	-	-
Provision for taxation	3,927	466
Total Current Liabilities	45,802	26,273
Total Liabilities	70,614	51,883
Total Equity And Liabilities	511,177	478,031
Net Assets per share attributable to owners of the company (RM)	0.08	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 2017 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 SECOND QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2017

	Issued Share capital (RM'000)	←Non-Distributable→ Share Premium (RM'000)	Translation Reserve (RM'000)	Distributable Retained Earnings (RM'000)	Total Equity (RM'000)
At 1 July 2016	69,162	228,421	304	88,922	386,809
Profit for the period	-	-	-	17,305	17,305
Other comprehensive income	-	-	84	-	84
Total comprehensive income for the year	-	-	84	17,305	17,389
Transactions with owners					
Arising from warrants exercised	-	-	-	-	-
	-	-	84	17,305	17,389
At 31 December 2016	69,162	228,421	388	106,227	404,198
At 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 year	-	-	(68)	14,483	14,415
Transactions with owners					
Arising from warrants exercised	-	-	-	-	-
	-	-	(68)	14,483	14,415
At 31 December 2017	313,837	-	346	126,380	440,563

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 2017 and the accompanying explanatory notes attached to the interim financial statements.



GD EXPRESS CARRIER BHD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED
31 DECEMBER 2017**

	31.12.2017	Six Months Ended
	(RM'000)	31.12.2016
		(RM'000)
Cash flows from operating activities		
Profit for the period	14,483	17,305
Adjustments for non-cash items	8,474	2,860
Operating profit before changes in working capital	<u>22,957</u>	<u>20,165</u>
(Increase)/Decrease in working capital		
Inventories	329	64
Receivables, deposits and prepayment	(17,488)	(11,067)
Payables and accruals	12,246	5,408
Cash generated from operations	<u>18,044</u>	<u>14,570</u>
Income tax paid	(3,235)	(2,878)
Net cash from operating activities	<u>14,809</u>	<u>11,692</u>
Cash flows from investing activities		
Acquisition of associated company	-	(5,500)
Investment in private bond	-	(10,380)
Acquisition of property, plant and equipment	(5,219)	(5,995)
Proceeds from disposal of property, plant and equipment	99	59
Interest received	6,187	6,131
(Increased)/decreased in fixed deposit pledged with licensed bank	(23,578)	59,403
Net cash (used in) / generated from investing activities	<u>(22,511)</u>	<u>43,718</u>
Cash flows from financing activities		
Repayment of term loans	-	(6,661)
Net payment of hire purchase payables	(4,887)	(2,791)
Finance costs paid	(846)	(654)
Net cash used in financing activities	<u>(5,733)</u>	<u>(10,106)</u>
Net change in cash and cash equivalents	(13,435)	45,304
Effect of exchange difference	(94)	84
Cash and cash equivalents at beginning of period	<u>74,772</u>	<u>27,397</u>
Cash and cash equivalents at end of period	<u>61,243</u>	<u>72,785</u>



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2017 *(Continued)*

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

	31.12.2017 (RM'000)	Six Months Ended 31.12.2016 (RM'000)
Purchase of :		
Property, plant and equipment	13,366	11,870
Financed by:		
Cash payments and other payables	5,219	5,995
Hire-purchase	8,147	5,875
	<u>13,366</u>	<u>11,870</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 2017 and the accompanying explanatory notes attached to the interim financial statements.



GD EXPRESS CARRIER BHD

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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 2017.

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 2017.

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

In the current financial period, the Group have applied the new Standard and Amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual periods beginning on or after 1 July 2017 as follows:

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 10 and MFRS 128	Sale and Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plant
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRSs contained in the document entitled Annual Improvement MFRSs 2012 – 2014 Cycle.	

The adoption of these new Standards and Amendments did not have any effect on the financial performance or position of the Group in the current period and prior years.



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 9	Financial Instruments ¹
MFRS 15	Revenue from Contracts with Customers ¹
MFRS 16	Leases ²
Amendments to MFRSs	Annual Improvements to MFRSs 2014 – 2016 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2018.

² Effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted provided MFRS 15 is also applied.

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 2017.

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

During the current quarter and six months ended 31 December 2017 under review, there were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence.

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 2017 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 2017 under review.



7. DIVIDEND PAID

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

	Year Ended 30 June	
	2018	2017
First and final dividend for the financial year	30 June 2017	30 June 2016
Approved and declared on	6 December 2017	6 December 2016
Date paid	12 February 18	17 February 2017
Number of ordinary shares on which dividends were paid	5,576,861,284	1,385,416,456
Amount per share (Single-tier)	0.25 sen	1.000 sen
Dividend Reinvestment Plan (Total shares issued)	24,552,737	8,632,275
Net dividend paid in cash (RM'000)	<u>672</u>	<u>708*</u>

* As announced on 8 February 2018, the Company had issued 24,552,737 new ordinary shares of 0.25 sen each in the Company pursuant to the Dividend Reinvestment Plan ("DRP").

The new shares represented approximately 95.18% of the total number of 25,794,917 new 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 2017. The said new shares were listed on the Main Market of Bursa Malaysia Securities Berhad on 13 February 2017. The net dividend in cash after the new shares issued amounted to RM672,090 was paid on 12 February 2018.

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		Six Months	
	Three Months Ended		Period Ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	3,371	2,994	6,187	6,131
Other income	65	3	151	24
Interest expense	(445)	(318)	(846)	(654)
Depreciation and amortization	(3,608)	(2,662)	(6,938)	(5,201)
Reversal of 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



9. OPERATING SEGMENTS

The Group has two 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 2017.

Operating Segments

	Group			
	Segment Revenue Period Ended		Segment Profit / (Loss) Period Ended	
	31.12.2017 (RM'000)	31.12.2016 (RM'000)	31.12.2017 (RM'000)	31.12.2016 (RM'000)
Express delivery	141,897	122,577	21,670	21,887
Logistics	3,329	1,589	514	(761)
Total	<u>145,226</u>	<u>124,166</u>	<u>22,184</u>	<u>21,126</u>
Finance costs			(846)	(654)
Share of profit of associated company			6	8
Profit before tax			<u>21,344</u>	<u>20,480</u>

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

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 As At	
	31.12.2017 (RM'000)	31.12.2016 (RM'000)
Segment Assets		
Express delivery	506,399	448,762
Logistics	3,264	3,833
	<u>509,663</u>	<u>452,595</u>
Unallocated corporate assets		
- Tax recoverable	1,514	1,737
	<u>511,177</u>	<u>454,332</u>



	Carrying Amount of Segment Liabilities As At	
	31.12.2017 (RM'000)	31.12.2016 (RM'000)
Segment Liabilities		
Express delivery	62,367	45,860
Logistics	509	347
	62,876	46,207
Unallocated liabilities		
- Tax liabilities	3,927	1,141
- Deferred tax liabilities	3,811	2,786
	70,614	50,134
Other segment information		
Additions to Non-current assets		
- Express delivery	13,188	27,593
- Logistics	144	165
Depreciation and amortisation		
- Express delivery	6,723	4,996
- Logistics	215	205
	7,143	5,461

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

	Group			
	Revenue by Geographical Market For the Six Months Ended		Carrying Amount of Segment Non-Current Assets As At	
	31.12.2017 (RM'000)	31.12.2016 (RM'000)	31.12.2017 (RM'000)	31.12.2016 (RM'000)
Malaysia	144,673	123,711	112,380	90,320
Singapore	553	455	100	249
Total	145,226	124,166	112,480	90,569

10. MATERIAL EVENTS SUBSEQUENT TO END OF THE PERIOD

Between the end of the 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 current quarter and six months ended 31 December 2017 under review.



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 2017 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 2017 under review.

14. RELATED PARTY TRANSACTIONS

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

	Transaction Value		Balance Outstanding As At	
	31.12.2017 (RM'000)	31.12.2016 (RM'000)	31.12.2017 (RM'000)	31.12.2016 (RM'000)
<u>Revenue</u>				
Provision of express delivery services				
- Singapore Post Limited	3	6	2	4
- Quantum Solutions International(Malaysia) Sdn Bhd	167	776	530	867
- Quantum Solutions Singapore Pte Ltd	32	49	32	85
- Yamato Transport (M) Sdn Bhd	524	-	524	-
<u>Expenses</u>				
Provision of advisory services				
-Yamato Asia Pte Ltd	(30)	-	(20)	-
Provision and development of software solution				
-Web Bytes Sdn Bhd	(65)	-	-	-

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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 second quarter ended 31 December 2017 versus the second quarter in financial year 2017.

Group Performance

	Current Quarter Three Months Ended 31 December		Year To-Date Six Months Ended 31 December	
	2017 (RM'000)	2016 (RM'000)	2017 (RM'000)	2016 (RM'000)
Revenue	76,459	66,149	145,226	124,166
Profit Before Tax	12,023	10,860	21,344	20,480

Current quarter group revenue increased RM10.310 million compared to the preceding year corresponding quarter. The increase was mainly driven by higher business volume on the back of higher demand of the courier services for e-commerce business.

Consequently, group profit before tax increased 10.7% to RM12.023 million from RM10.860 million reported in the same period under review.

Segmental Performance

	Courier Services Current Quarter Ended 31 December		Logistics Services Current Quarter Ended 31 December	
	2017 (RM'000)	2016 (RM'000)	2017 (RM'000)	2016 (RM'000)
Revenue	74,819	65,383	1,640	766
Profit/(loss) Before Taxation	11,815	11,323	208	(463)

Courier Services

Revenue reported in courier services for the current quarter ended 31 December 2017 increased 14.4% to RM74.819 million and profit before tax increased 4.3% to RM11.815 million respectively compared to revenue of RM65.383 million and profit before tax of RM11.323 million reported in the corresponding quarter ended 31 December 2016. Better revenue and profit before tax was mainly due to positive sales growth, as a result of higher demand of express delivery for e-commerce business.



Logistics Services

Revenue and profit before tax reported in the logistics services for the current quarter ended 31 December 2017 was RM1.640 million, increased 114.1% and RM0.208 million, increased 144.9% respectively, compared to the revenue of RM0.766 million and loss before taxation of RM0.463 million reported in the corresponding period ended 31 December 2016.

The improved performance in the logistics segment was mainly due to increase in demand of warehousing services for customers during festive seasons.

2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Group Performance

	31 December 2017 (RM'000)	3 Months Ended 30 September 2017 (RM'000)
Revenue	76,459	68,767
Profit Before Tax	12,023	9,321

Group revenue for the current quarter under review increased 11.2% compared to RM 68.767 million recorded for the preceding quarter, driven by increase in demand of e-commerce business before the festive season, compared to immediate preceding quarter.

Profit before tax for the Group increased 29.0% in the current quarter under review compared to the preceding quarter, mainly due to better sales performance and savings in co-loading expenses, offsetting increases in operating costs, such as the manpower, rental expenses and supplies costs to cater for business expansion and growth in the e-commerce business transactions.

Segmental Performance

	Courier Services		Logistics Services	
	Three Months Ended		Three Months Ended	
	31 December 2017 (RM'000)	30 September 2017 (RM'000)	31 December 2017 (RM'000)	30 September 2017 (RM'000)
Revenue	74,819	67,078	1,640	1,689
Profit Before Tax	11,815	9,015	208	306

Courier Services

Total revenue generated from courier services for the current quarter under review was RM74.819 million, 11.5% higher than the immediate preceding quarter of RM67.078 million. Profit before tax reported was RM11.815 million, 31.1% higher than the immediate preceding quarter of RM9.015 million. This was mainly due to higher demand of express delivery services by e-commerce business.



Logistics Services

Revenue generated from logistics services for the current quarter under review was RM1.640 million, 2.9% lower than the immediate preceding quarter of RM1.689 million. Profit before tax reported was RM0.208 million, decreased by 32.0% compared to the immediate preceding quarter of RM0.306 million.

3. COMMENTARY ON PROSPECTS

The Group remains optimistic and expects to make steady progress in performance due to the growing popularity in e-commerce business. Nevertheless, the Group continues to expect more intense competition in the express delivery industry, with some impact on its business margin.

4. VARIANCE FROM PROFIT FORECAST

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

5. TAXATION

Taxation in respect of the current financial quarter and six months ended 31 December 2016 comprises the following:

	Current Quarter		Year To-Date Ended	
	Three Months Ended		31 December	
	2017	2016	2017	2016
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Income Tax:-				
Current quarter/year provision	5,494	1,755	7,097	3,419
Deferred Tax:-				
Current quarter/year provision	(60)	(94)	(236)	(244)
	<u>5,434</u>	<u>1,661</u>	<u>6,861</u>	<u>(3,175)</u>

On 24 January 2014, GD Express Sdn Bhd ("GD Express"), the wholly-owned subsidiary company of GD Express Carrier Bhd ("GDEX"), was granted the Pioneer Certificate from Malaysian Investment Development Authority ("MIDA"), where the benefits includes, amongst others, the eligibility of GD Express for tax exemption of 70% of its statutory income for five (5) years on its Integrated Logistics Services ("ILS") related activities, commencing on 26 September 2012. The existing pioneer status tax incentive lapsed on 25 September 2017. GD Express is currently in the process of applying for the new tax incentive.



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 2017 under review.

7. STATUS OF CORPORATE PROPOSALS

As announced on 26 October 2017, GD Facilities & Assets Management Sdn Bhd (Company No.715516-V) (“GD Facilities & Assets Management” or “Purchaser”), a wholly-owned subsidiary of the Company had on 26 October 2017 entered into a Conditional Share Sale Agreement (“SSA”) with Abric Berhad (Company No. 187259-W) (“ABRIC” or “Vendor”) for the acquisition of 2,000,000 ordinary shares (“Sale Shares”) representing 100% equity interest in Abric Properties Sdn Bhd (“Abric Properties”)(Company No. 82666-M), a wholly-owned subsidiary of ABRIC for a total purchase consideration of RM19,300,000.00 (“Purchase Consideration”)(“the Acquisition”). Upon the completion of the Acquisition, Abric Properties shall become a wholly-owned subsidiary of the Purchaser. The above corporate proposal was completed subsequently on 15 January 2018.

Saved as disclosed above, there were no corporate proposals announced 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	
	2017	2016
	(RM'000)	(RM'000)
Short term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	12,214	7,421
Long term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	20,719	14,452
Total borrowings	32,933	21,873

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

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 0.25 sen per share amounting to approximately RM13.9 million in respect of financial year ended 30 June 2017 was approved by the shareholders at the Fourteenth (14th) Annual General Meeting of the Company, held on 6 December 2017.

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 Six Months Ended 31 December	
	2017	2016	2017	2016
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net profit attributable to ordinary shareholders	6,589	9,199	14,483	17,305
Weighted average number of ordinary share in issue (units)	5,576,236,692	5,532,958,148	5,576,236,692	5,532,958,148
Basic earnings per share (sen)	0.12	0.17	0.26	0.31

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 Six Months Ended 31 December	
	2017	2016	2017	2016
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net profit attributable to ordinary shareholders	6,589	9,199	14,483	17,305
Weighted average number of ordinary share in issue (units)	5,576,236,692	5,532,958,148	5,576,236,692	5,532,958,148
Adjustment for share warrants	283,038,650	548,082,241	271,939,320	68,340,146
Weighted average number of ordinary share in issue (units)	5,859,275,342	6,081,040,389	5,848,176,012	5,601,298,294
Diluted earnings per share (sen)	0.11	0.15	0.25	0.31



12. REALISED AND UNREALISED EARNINGS DISCLOSURE

	As At 31 December 2017	As At 30 June 2017
	(RM'000)	(RM'000)
Total Retained Earnings of the Group:		
- Realised	123,903	109,616
- Unrealised	(3,811)	(4,047)
	<hr/> 120,092	<hr/> 105,569
Consolidation adjustments	6,288	6,328
Total retained earnings	<hr/> <hr/> 126,380	<hr/> <hr/> 111,897

13. AUDIT REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the year ended 30 June 2017 was not subject to any audit qualification.

14. 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 22 February 2018.

By Order of the Board

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

Selangor Darul Ehsan
Date: 22 February 2018