



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 THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2018

	Individual Quarter Preceding Year	Cumulative Quarter Preceding Year		
	Current Year Quarter	Corresponding Quarter	Current Year To-Date	Corresponding Period
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	73,402	61,477	218,628	185,643
Operating expenses	(66,503)	(54,661)	(195,883)	(163,856)
Other operating income	2,827	2,854	9,165	9,009
Profit from operations	9,726	9,670	31,910	30,796
Finance costs	(504)	(340)	(1,350)	(994)
Share of post-tax profit of associated company	(30)	34	(24)	42
Profit before tax	9,192	9,364	30,536	29,844
Taxation	(6,570)	(1,353)	(13,431)	(4,528)
Net profit for the period	2,622	8,011	17,105	25,316
Other comprehensive income:				
Foreign currency translation differences for foreign operations	(64)	48	(132)	132
	(64)	48	(132)	132
Total comprehensive income for the period	2,558	8,059	16,973	25,448
Profit attributable to owners of the company	2,622	8,011	17,105	25,316
Comprehensive income attributable to owners of the company	2,558	8,059	16,973	25,448
Earnings per share :				
Basic EPS (sen)	0.05	0.14	0.31	0.46
Fully diluted EPS (sen)	0.04	0.14	0.29	0.46

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 MARCH 2018

	Unaudited 31.03.2018 (RM'000)	Audited 30.06.2017 (RM'000)
ASSETS		
Non-current Assets		
Property, plant and equipment	79,851	68,061
Prepaid lease payments	21,640	22,038
Investment Properties	16,400	-
Investment in associated company	5,637	5,661
Other investment	10,380	10,380
Goodwill from consolidation	2,983	-
	136,891	106,140
Current Assets		
Inventories	1,265	1,555
Trade receivables	57,104	49,867
Other receivables and prepaid expenses	17,239	12,215
Tax recoverable	1,368	1,916
Deposits with licensed banks	226,361	289,578
Cash and bank balances	71,935	16,760
	375,272	371,891
Total Assets	512,163	478,031
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	327,810	313,837
Reserves	115,341	112,311
Total Equity	443,151	426,148
Non-Current Liabilities		
Hire-purchase payables – non-current portion	23,362	21,281
Provision for retirement benefits	282	282
Deferred tax liabilities	3,648	4,047
Total Non-current Liabilities	27,292	25,610
Current liabilities		
Trade payables	5,636	3,185
Other payables and accrued expenses	20,794	14,230
Hire-purchase payables - current portion	13,339	8,392
Provision for taxation	1,951	466
Total Current Liabilities	41,720	26,273
Total Liabilities	69,012	51,883
Total Equity And Liabilities	512,163	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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GD EXPRESS CARRIER BHD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2018

	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	-	-	-	25,316	25,316
Other comprehensive income	-	-	132	-	132
Total comprehensive income for the year	-	-	132	25,316	25,448
Transactions with owners					
Arising from warrants exercised	110	3,222	-	-	3,332
Share issued expenses	-	(16)	-	-	(16)
Capitalisation of share premium	231,627	(231,627)	-	-	-
Dividend	13,146	-	-	(13,854)	(708)
	244,883	(228,421)	132	11,462	28,056
At 31 March 2017	314,045	-	436	100,384	414,865
At 1 July 2017	313,837	-	414	111,897	426,148
Profit for the period	-	-	-	17,105	17,105
Other comprehensive income	-	-	(132)	-	(132)
Total comprehensive income for the year	-	-	(132)	17,105	16,973
Transactions with owners					
Arising from warrants exercised	702	-	-	-	702
Dividend	13,271	-	-	(13,943)	(672)
	13,973	-	(132)	3,162	17,003
At 31 March 2018	327,810	-	282	115,059	443,151

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 NINE MONTHS ENDED 31 MARCH 2018

	31.03.2018 (RM'000)	Nine Months Ended 31.03.2017 (RM'000)
Cash flows from operating activities		
Profit for the period	17,105	25,316
Adjustments for non-cash items	16,834	4,671
Operating profit before changes in working capital (Increase)/Decrease in working capital	33,939	29,987
Inventories	289	(677)
Receivables, deposits and prepayment	(12,262)	(7,004)
Payables and accruals	9,016	1,022
Cash generated from operations	30,982	23,328
Income tax paid	(11,796)	(4,132)
Net cash from operating activities	19,186	19,196
Cash flows from investing activities		
Acquisition of associated company	-	(5,500)
Investment in private bond	-	(10,380)
Goodwill arising from acquisition of subsidiary	(2,983)	-
Acquisition of property, plant and equipment	(23,239)	(7,131)
Proceeds from disposal of property, plant and equipment	103	62
Interest received	8,850	8,925
(Increased)/decreased in fixed deposit pledged with licensed bank	76,101	29,363
Net cash generated from / (used in) investing activities	58,832	15,339
Cash flows from financing activities		
Repayment of term loans		(6,661)
Net payment of hire purchase payables	(8,487)	(4,457)
Proceed from allotment of shares	702	3,332
Share issue expenses	-	(16)
Dividend paid	(672)	(708)
Finance costs paid	(1,350)	(994)
Net cash used in financing activities	(9,807)	(9,594)
Net change in cash and cash equivalents	68,211	24,941
Effect of exchange difference	(153)	131
Cash and cash equivalents at beginning of period	74,772	27,397
Cash and cash equivalents at end of period	142,830	52,469



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2018 *(Continued)*

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

	31.03.2018	Nine Months Ended
	(RM'000)	31.03.2017
		(RM'000)
Purchase of :		
Property, plant and equipment	38,753	18,441
	<hr/>	<hr/>
Financed by:		
Cash payments and other payables	23,239	7,131
Hire-purchase	15,514	11,310
	<hr/>	<hr/>
	38,753	18,441
	<hr/>	<hr/>

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 financial period ended 31 March 2018 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 financial period ended 31 March 2018 under review, except for the followings:-

- (i) As announced on 9 January 2018, issuance of 624,592 ordinary shares pursuant to the exercise of 624,592 warrants "B" at an exercise price of RM0.3825 per ordinary share and was listed on 10 January 2018. The issued and paid up share capital increased from RM313,836,577 comprising of 5,576,236,692 ordinary shares to RM314,075,483 comprising of 5,576,7861,2814 ordinary shares.



- (ii) As announced on 8 February 2018, the Company had issued 24,552,737 ordinary shares at the issued price of RM0.5405 per ordinary share, pursuant to the Dividend Reinvestment Plan (“DRP”) and was listed on 13 February 2018. The issued and paid up share capital increased from RM314,075,483 comprising of 5,576,861,284 ordinary shares to RM327,346,237 comprising of 5,601,414,021 ordinary shares.
- (iii) As announced on 13 February 2018, issuance of 1,210,172 ordinary shares pursuant to the exercise of 1,210,172 warrants “B” at an exercise price of RM0.3825 per ordinary share and was listed on 14 February 2018. The issued and paid up share capital increased from RM327,346,237 comprising of 5,601,414,021 ordinary shares to RM327,809,128 comprising of 5,602,624,193 ordinary shares.

7. DIVIDEND PAID

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

	2018	Year Ended 30 June 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 2018	17 February 2016
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 pursuant to the Dividend Reinvestment Plan (“DRP”).

The new shares represented approximately 95.18% of the total number of 25,794,917 new ordinary 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 2018. The net dividend in cash after the new shares issued amounted to RM672,090 was paid on 12 February 2018.

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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		Nine Months Period Ended	
	31.03.2018 (RM'000)	31.03.2017 (RM'000)	31.03.2018 (RM'000)	31.03.2017 (RM'000)
Interest income	2,663	2,794	8,850	8,925
Other income	163	60	314	84
Interest expense	(504)	(340)	(1,350)	(994)
Depreciation and amortization	(3,921)	(2,946)	(10,859)	(8,147)
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

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9. OPERATING SEGMENTS

The Group has three 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 March 2018.

Operating Segments

	Group			
	Segment Revenue Period Ended		Segment Profit / (Loss) Period Ended	
	31.03.2018 (RM'000)	31.03.2017 (RM'000)	31.03.2018 (RM'000)	31.03.2017 (RM'000)
Express delivery	213,346	182,711	32,627	31,388
Logistics	4,995	2,932	560	(592)
Property Investment	287	-	(1,277)	-
Total	<u>218,628</u>	<u>185,643</u>	<u>31,910</u>	<u>30,796</u>
Finance costs			(1,350)	(994)
Share of profit of associated company			(24)	42
Profit before tax			<u>30,536</u>	<u>29,844</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	
	31.03.2018 (RM'000)	31.03.2017 (RM'000)
Segment Assets		
Express delivery	465,342	459,229
Logistics	3,074	3,425
Property investment	42,379	-
	<u>510,795</u>	<u>462,654</u>
Unallocated corporate assets		
- Tax recoverable	1,368	1,780
	<u>512,163</u>	<u>464,434</u>



	Carrying Amount of Segment Liabilities As At	
	31.03.2018 (RM'000)	31.03.2017 (RM'000)
Segment Liabilities		
Express delivery	62,247	45,177
Logistics	556	324
Property investment	610	-
	63,413	45,501
Unallocated liabilities		
- Tax liabilities	1,951	1,293
- Deferred tax liabilities	3,648	2,775
	69,012	49,569
Other segment information		
Additions to Non-current assets		
- Express delivery	21,694	18,231
- Logistics	150	210
- Property investment	16,909	-
Depreciation and amortisation		
- Express delivery	9,841	7,836
- Logistics	325	311
- Property investment	693	-
	693	-

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		Carrying Amount of Segment Non-Current Assets As At	
	Revenue by Geographical Market For the Nine Months Ended		31.03.2018 31.03.2017	
	31.03.2018 (RM'000)	31.03.2017 (RM'000)	(RM'000)	(RM'000)
Malaysia	217,805	184,969	136,831	94,012
Singapore	823	674	60	214
Total	218,628	185,643	136,891	94,226

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 period ended 31 March 2018 under review.



11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter and period ended 31 March 2018 under review which including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations except for the followings:-

As announced on 26 October 2018, GD Facilities & Assets Management Sdn Bhd (Company No: 715516-V) ("GD Facilities & Assets Management"), the 100% wholly owned subsidiary of the Company, entered into Conditional Share Sale Agreement ("SSA") with Abric Berhad (Company No: 187259-W) ("ABRIC") for the acquisition of 2,000,000 ordinary shares, representing 100% equity interest in Abric Properties Sdn Bhd(Company No: 81666-M) ("Abric Properties"), a wholly owned subsidiary of ABRIC for a total consideration of RM19,300,000. As announced on 15 January 2018, the Condition Precedent in the SSA has been fulfilled and the acquisition has been completed on the same date. Upon completion of this acquisition, Abric Properties had become a 100% wholly owned subsidiary of GD Facilities & Assets Management.

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 period ended 31 March 2018 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		Balance Outstanding As At	
	31.03.2018 (RM'000)	31.03.2017 (RM'000)	31.03.2018 (RM'000)	31.03.2017 (RM'000)
<u>Revenue</u>				
Provision of express delivery services				
- Singapore Post Limited	4	3	3	3
- Quantum Solutions International(Malaysia) Sdn Bhd	556	734	387	472
- Quantum Solutions Singapore Pte Ltd	34	37	18	38
- Yamato Transport (M) Sdn Bhd	410	54	395	34
<u>Expenses</u>				
Provision of advisory services				
-Yamato Asia Pte Ltd	(20)	(54)	(2)	(20)
Provision and development of software solution				
-Web Bytes Sdn Bhd	(27)	-	(117)	-

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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 third quarter ended 31 March 2018 versus the 31 March 2017

Group Performance

	Current Quarter Three Months Ended 31 March		Year To-Date Nine Months Ended 31 March	
	2018 (RM'000)	2017 (RM'000)	2018 (RM'000)	2017 (RM'000)
Revenue	73,402	61,477	218,628	185,643
Profit Before Taxation	9,192	9,364	30,536	29,844

Group revenue for the current quarter under review increased by 19.4% as compared the preceding year corresponding quarter ended 31 March 2017. However, Group profit before tax declined by 1.8% in the same period under review.

The decline in performance for the current quarter was driven by higher operating expenses related to network expansion to cater for higher demand of express delivery by e-commerce businesses.

Segmental Performance

	Courier Services Current Quarter Ended 31 March		Logistics Services Current Quarter Ended 31 March		Property Investment Current Quarter Ended 31 March	
	2018 (RM'000)	2017 (RM'000)	2018 (RM'000)	2017 (RM'000)	2018 (RM'000)	2017 (RM'000)
Revenue	71,449	60,134	1,666	1,343	287	-
Profit/(loss) Before Taxation	10,423	9,195	46	169	(1,277)	-

Courier Services

Revenue and profit before taxation for the current quarter ended 31 March 2018 grew 18.8% and 13.4% respectively, compared to the corresponding quarter ended 31 March 2017. The higher revenue and profit before taxation reported in the quarter under review mainly on the back of positive sales growth, resulting from higher demand of express delivery by e-commerce businesses.



Logistics Services

Revenue for the quarter ended 31 March 2018 increased by 24.1% compared to the preceding year corresponding quarter ended 31 March 2017. However, profit before tax declined by 72.8% mainly due to increase in “value added service” to support the courier service segment.

Property Investment

There is no comparison in the revenue and loss before tax for the property investment segment as this is a new segment adopted for the quarter ended 31 March 2018. The main revenue contributor was rental income.

2. COMPARISON WITH PRECEDING QUARTER’S RESULTS

Group Performance

	31 March 2018 (RM'000)	3 Months Ended 31 December 2017 (RM'000)
Revenue	73,402	76,459
Profit Before Taxation	9,192	12,023

Group revenue for the quarter under review declined 4.0% compared to the preceding quarter ended 31 December 2017, driven mainly by lower demand of express delivery services.

Group profit before tax in the current quarter decreased 23.5% compared to the preceding quarter ended 31 December 2017, impacted by lower sales and an increase in operating costs including manpower, rental expenses and supplies costs to cater for business expansion and growth in e-commerce business transactions.

Segmental Performance

	Courier Services		Logistics Services		Property Investment	
	Current Quarter Ended 31 March 2018 (RM'000)	Current Quarter Ended 31 December 2017 (RM'000)	Current Quarter Ended 31 March 2018 (RM'000)	Current Quarter Ended 31 December 2017 (RM'000)	Current Quarter Ended 31 March 2018 (RM'000)	Current Quarter Ended 31 December 2017 (RM'000)
Revenue	71,449	74,819	1,666	1,640	287	-
Profit/(loss) Before Taxation	10,423	11,815	46	208	(1,277)	-

Courier Services

Revenue and profit before taxation in the current quarter decreased 4.5% and 11.8% respectively compared to the immediate preceding quarter ended 31 December 2017. This was mainly due to shorter operating days in February.



Logistics Services

Revenue generated from logistics services for the quarter under review grew 1.6%. However, profit before taxation decreased by 77.9% compared to immediate preceding quarter ended 31 March 2018. This decline was mainly due to increase in “value added service” to support the courier service segment.

Property Investment

There is no comparison in the revenue and loss before tax for the property investment segment as this is a new segment adopted for the quarter ended 31 March 2018. The main revenue contributor was rental income.

3. COMMENTARY ON PROSPECTS

The Group expects positive top-line growth on the back of strong growth in e-commerce transactions leading to higher demand for delivery services, however, intense competition and continued business expansion are expected to have some impact on 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 period ended 31 March 2018 comprises the following:

	Current Quarter		Period To-Date Ended	
	2018	31 March	2018	31 March
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Income Tax:-				
Current quarter/period provision	2,038	1,382	9,135	4,801
Under-provision in prior year	4,695	-	4,695	-
	6,733	1,382	13,830	4,801
Deferred Tax:-				
Current quarter/period provision	(163)	(29)	(399)	(273)
	6,570	1,353	13,431	4,528

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 was lapsed on 25 September 2017 which caused a higher tax provision during the current quarter and period ended 31 March 2018. The additional provision is a prudent step taken by the Group in view of a potential claw back of tax incentive in 2017. GD Express is currently in the process of applying 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 period ended 31 March 2018 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”), 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”) for the acquisition of 2,000,000 ordinary shares (“Sale Shares”) representing 100% equity interest in Abric Properties Sdn Bhd (Company No. 82666-M) (“Abric Properties”) a wholly-owned subsidiary of ABRIC for a total purchase consideration of RM19,300,000. 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.

As announced on 2 March 2018, GD Express Sdn Bhd (Company No: 347624-X) (“GDSB”) , a wholly owned subsidiary of the company had on 1 March 2018 entered into a Conditional Share Sale Agreement (“SSA”) with the shareholders of MBE Business Corporation Sdn Bhd (Company No: 311988-A) (“MBC”) and MBE Business Holding Sdn Bhd (Company No: 724584-K) (“MBH”) (collectively “MBE Malaysia”), for the proposed acquisition of 100% of the share capital of MBC and MBH for a total purchase consideration of RM4,000,000 and RM1,500,000 respectively. However, on 2 May 2018, both parties had executed a confirmation letter confirming their mutual agreement to terminate the SSA.

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:

	2018 (RM'000)	As at 31 March 2017 (RM'000)
Short term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	13,339	9,389
Long term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	23,362	16,163
Total borrowings	36,701	25,552

There was no unsecured debt during the current quarter and period-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		Period To-Date	
	Three Months Ended		Nine Months Ended	
	2018	31 March	2018	31 March
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net profit attributable to ordinary shareholders	2,622	8,011	17,105	25,316
Weighted average number of ordinary share in issue (units)	5,591,659,830	5,554,989,814	5,580,756,293	5,541,647,656
Basic earnings per share (sen)	0.05	0.14	0.31	0.46

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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 March		Period To-Date Nine Months Ended 31 March	
	2018 (RM'000)	2017 (RM'000)	2018 (RM'000)	2017 (RM'000)
Net profit attributable to ordinary shareholders	2,622	8,011	17,105	25,316
Weighted average number of ordinary share in issue (units)	5,591,659,830	5,554,989,814	5,580,756,293	5,541,647,656
Adjustment for share warrants	260,996,613	-	276,014,995	-
Weighted average number of ordinary share in issue (units)	5,852,656,443	5,554,989,814	5,856,771,288	5,541,647,656
Diluted earnings per share (sen)	0.04	0.14	0.29	0.46

12. REALISED AND UNREALISED EARNINGS DISCLOSURE

	As At 31 March 2018 (RM'000)	As At 30 June 2017 (RM'000)
Total Retained Earnings of the Group:		
- Realised	126,833	109,616
- Unrealised	(3,648)	(4,047)
	123,185	105,569
Consolidation adjustments	(8,126)	6,328
Total retained earnings	115,059	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 14 May 2018.

By Order of the Board

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

Selangor Darul Ehsan
Date: 14 May 2018