



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 FIRST QUARTER AND YEAR ENDED 30 SEPTEMBER 2018

	Current Quarter Three Months Ended 30 September		Current Year To-Date 30 September	
	2018 (RM'000)	2017 (RM'000)	2018 (RM'000)	2017 (RM'000)
Revenue	74,509	68,767	74,509	68,767
Operating expenses	(67,669)	(61,970)	(67,669)	(61,970)
Other operating income	3,075	2,902	3,075	2,902
Profit from operations	9,915	9,699	9,915	9,699
Finance costs	(503)	(401)	(503)	(401)
Share of post-tax (loss)/profit of associated company	(50)	23	(50)	23
Profit before tax	9,362	9,321	9,362	9,321
Taxation	(2,890)	(1,427)	(2,890)	(1,427)
Net profit for the period/year	6,472	7,894	6,472	7,894
Other comprehensive income:				
Foreign currency translation differences for foreign operations	44	(16)	44	(16)
	44	(16)	44	(16)
Total comprehensive income for the period	6,516	7,878	6,516	7,878
Profit attributable to owners of the company	6,472	7,894	6,472	7,894
Comprehensive income attributable to owners of the company	6,516	7,878	6,516	7,878
Earnings per share :				
Basic EPS (sen)	0.12	0.14	0.12	0.14
Fully Diluted EPS (sen)	0.11	0.13	0.11	0.13

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 2018 and the accompanying explanatory notes attached to the interim financial statements



GD EXPRESS CARRIER BHD (Company No. 630579-A)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	Unaudited 30.09.2018 (RM'000)	Audited 30.06.2018 (RM'000)
ASSETS		
Non-current Assets		
Property, plant and equipment	92,848	85,850
Prepaid lease payments	21,374	21,507
Investment properties	17,900	17,900
Investment in associated company	5,627	5,677
Investment in convertible bonds	10,380	10,380
Goodwill arising from consolidation	398	398
	<u>148,527</u>	<u>141,712</u>
Current Assets		
Inventories	1,171	1,078
Trade receivables	51,339	51,011
Other receivables and prepaid expenses	54,101	17,558
Tax recoverable	5,761	3,383
Short-term funds	11,116	17,036
Deposits with licensed banks	240,734	253,637
Cash and bank balances	16,732	32,640
	<u>380,954</u>	<u>376,343</u>
Total Assets	<u>529,481</u>	<u>518,055</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	327,809	327,809
Reserves	128,388	121,872
Total Equity	<u>456,197</u>	<u>449,681</u>
Non-Current Liabilities		
Hire-purchase payables – non-current portion	22,265	26,063
Provision for retirement benefits	326	326
Deferred tax liabilities	5,062	4,943
Total Non-current Liabilities	<u>27,653</u>	<u>31,332</u>
Current liabilities		
Trade payables	9,086	2,037
Other payables and accrued expenses	18,314	19,665
Hire-purchase payables - current portion	18,190	15,155
Provision for taxation	41	185
Total Current Liabilities	<u>45,631</u>	<u>37,042</u>
Total Liabilities	<u>73,284</u>	<u>68,374</u>
Total Equity And Liabilities	<u>529,481</u>	<u>518,055</u>
Net Assets per share attributable to owners of the company (RM)	<u>0.08</u>	<u>0.08</u>



GD EXPRESS CARRIER BHD (Company No. 630579-A)
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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 2018 and the accompanying explanatory notes attached to the interim financial statements.

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GD EXPRESS CARRIER BHD (Company No. 630579-A)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

	Issued Share capital (RM'000)	Non- distributable reserves- Translation reserve (RM'000)	Distributable reserve – Retained earnings (RM'000)	Total (RM'000)
As of 1 July 2017	313,837	414	111,897	426,148
Profit for the period	-	-	7,894	7,894
Other comprehensive income	-	(16)	-	(16)
Total comprehensive income for the period	-	(16)	7,894	7,878
As of 30 September 2017	313,837	398	119,791	434,026
As of 1 July 2018	327,809	290	121,582	449,681
Profit for the period	-	-	6,472	6,472
Other comprehensive income	-	44	-	44
Total comprehensive income for the period	-	44	6,472	6,516
As of 30 September 2018	327,809	334	128,054	456,197

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 2018 and the accompanying explanatory notes attached to the interim financial statements.



GD EXPRESS CARRIER BHD (Company No. 630579-A)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

	2018	Current Quarter
	(RM'000)	Ended
		30 September
		2017
		(RM'000)
Cash flows from operating activities		
Profit for the year	6,472	7,894
Adjustments for non-cash items	4,960	2,280
Operating profit before changes in working capital	11,432	10,174
(Increase)/Decrease in working capital		
Inventories	(93)	31
Receivables, deposits and prepayment	(10,264)	(2,264)
Payables and accruals	5,697	4,758
Cash generated from operations	6,772	12,699
Income tax paid	(5,292)	(1,724)
Net cash generated from operating activities	1,480	10,975
Cash flows from investing activities		
Acquisition of property, plant and equipment	(8,094)	(3,132)
Proceeds from disposal of property, plant and equipment	292	113
Interest received	2,573	2,816
Decrease in fixed deposit pledged with licensed bank	12,836	4,634
Increase in short term funds	5,920	-
Proposed subscription of IPO	(26,607)	-
Net cash (used in) / generated from investing activities	(13,080)	4,431
Cash flows from financing activities		
Net payment of hire purchase payables	(3,911)	(924)
Finance cost	(503)	(401)
Net cash used in financing activities	(4,414)	(1,325)
Net change in cash and cash equivalents	(16,014)	14,081
Effect of exchange difference	38	(16)
Cash and cash equivalents at beginning of period	32,708	74,772
Cash and cash equivalents at end of period	16,732	88,837



GD EXPRESS CARRIER BHD (Company No. 630579-A)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018 *(Continued)*

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

	2018 (RM'000)	Current Quarter Ended 30 September 2017 (RM'000)
Purchase of :		
Property, plant and equipment	11,241	4,192
Financed by:		
Cash payments and other payables	8,094	3,132
Hire-purchase	3,147	1,060
	<u>11,241</u>	<u>4,192</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 2018 and the accompanying explanatory notes attached to the interim financial statements.



GD EXPRESS CARRIER BHD (Company No. 630579-A)
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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 2018.

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 2018.

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

In the current financial period, the Group have applied the following Amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for accounting periods that begin on or after 1 July 2018 as follows:

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Classification and Measurement of Share-Based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140	Transfer of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 Cycle

The adoption of these Amendments to MFRSs did not have any effect on the financial performance or position of the Group in the current year and prior period except as disclosed below:-.



GD EXPRESS CARRIER BHD (Company No. 630579-A)
(Incorporated in Malaysia under the Companies Act, 1965)

MFRS 9 Financial Instruments

MFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. MFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of MFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of MFRS 9:

- All recognised financial assets that are within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in fair value of equity instrument (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regards to the measurement of financial liabilities designated as at fair value through profit or loss, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liabilities, be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.
- In relation to the impairment of financial assets, MFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under MFRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in MFRS 139. Under MFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about any entity's risk management activities have also been introduced.

The directors of the Group anticipate that the application of the above mentioned Standards in the future may have an impact on the amounts reported and disclosures made in the Group's financial statements. The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.



GD EXPRESS CARRIER BHD (Company No. 630579-A)
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MFRS 15 Revenue from Contract with Customers

In May 2014, MFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Subsequently, amendments to MFRS 15 were issued in April 2016 which provide clarifications on certain requirements of MFRS 15 and provide additional transitional relief upon implementing MFRS 15. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and the related interpretation when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under MFRS 15, an entity recognises revenue when (or as) a performance obligations is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

The Group currently recognises revenue from the following major sources of which revenue is recognised when rendering of services has been completed:

- Provision of express delivery services.
- Provision of logistics services.

The directors of the Group anticipate that the application of the above mentioned Standards in the future may have an impact on the amounts reported and disclosures made in the Group's financial statements. The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

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 16	Leases ¹
MFRS 17	Insurance Contracts ²
Amendments to MFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement ¹
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures ¹
IC Interpretation 23	Uncertainty over Income Tax Payments ¹



GD EXPRESS CARRIER BHD (Company No. 630579-A)
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- 1 Effective for annual periods beginning on or after 1 January 2019.
- 2 Effective for annual periods beginning on or after 1 January 2021.
- 3 Effective for annual periods beginning on or after a date to be determined.

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 2018.

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

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the current quarter and financial period ended 30 September 2018 under review,

5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect on the current quarter and financial period ended 30 September 2018 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 30 September 2018 under review.



GD EXPRESS CARRIER BHD (Company No. 630579-A)
(Incorporated in Malaysia under the Companies Act, 1965)

7. DIVIDEND PAID

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

	2019	Year Ended 30 June
	30 June 2018	2018
First and final dividend for the financial year	30 June 2018	30 June 2017
Approved and declared on	-	6 December 2017
Date paid	-	12 February 2018
Number of ordinary shares on which dividends were paid	-	5,576,861,284
Amount per share (Single-tier)	-	0.25 sen
Dividend Reinvestment Plan (Total shares issued)*	-	24,552,737
Net dividend paid in cash (RM)	-	<u>672*</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.

No comparison in dividend paid is available for the current quarter under review as the proposed final single tier dividend of 0.20 sen per share in respect of the current financial year ended 30 June 2018 subject to the approval of shareholders at the forthcoming Annual General Meeting (AGM) of the company which to be held on 6 December 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 30 September		Current Year To-Date Ended 30 September	
	2018 (RM'000)	2017 (RM'000)	2018 (RM'000)	2017 (RM'000)
Interest income	2,573	2,563	2,573	2,563
Other income	502	339	502	339
Interest expense	(503)	(401)	(503)	(401)
Depreciation and amortization	(4,327)	(3,330)	(4,327)	(3,330)
Reversal of impairment loss/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 (3) 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 30 September 2018.

Operating Segments

	Segment Revenue		Segment Profit / (Loss)	
	Year To-Date Ended		Year To-Date Ended	
	30 September		30 September	
	2018	2017	2018	2017
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Express delivery	72,685	67,078	10,562	9,393
Logistics	1,684	1,689	(195)	306
Investment properties	140	-	(452)	-
Total	74,509	68,767	9,915	9,699
Finance costs			(503)	(401)
Reversal of Impairment loss/(impairment loss) on trade receivables			-	-
Share of profit of associated company			(50)	23
Profit before tax			9,362	9,321

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

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GD EXPRESS CARRIER BHD (Company No. 630579-A)
(Incorporated in Malaysia under the Companies Act, 1965)

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 And Liabilities As At 30 September	
	2018 (RM'000)	2017 (RM'000)
Segment Assets		
Express delivery	463,644	485,045
Logistics	6,649	3,546
Property Investment	53,427	-
	523,720	488,591
 Unallocated corporate assets		
- Tax recoverable	5,761	2,230
	529,481	490,821
 Segment Liabilities		
Express delivery	62,420	51,913
Logistics	883	352
Property Investment	4,878	-
	68,181	52,265
 Unallocated liabilities		
- Tax liabilities	41	659
- Deferred tax liabilities	5,062	3,871
	73,284	56,795
	73,284	56,795
	2018 (RM'000)	2017 (RM'000)
Other Segment Information		
Additions to Non-current assets		
- Express delivery	7,404	4,121
- Logistics	3,470	71
- Property investment	367	
Depreciation and amortisation		
- Express delivery	3,908	3,224
- Logistics	166	106
- Property investment	253	-
	253	-

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated directly to reportable segments.



GD EXPRESS CARRIER BHD (Company No. 630579-A)
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The following is an analysis of the group's revenue and carrying amount of segment non-current assets by the geographical market.

Geographical Segments

	Revenue by Geographical Market For the Period Ended 30 September		Carrying Amount of Segment Non-Current Assets As At 30 September	
	2018 (RM'000)	2017 (RM'000)	2018 (RM'000)	2017 (RM'000)
Malaysia	74,222	68,286	148,498	106,818
Singapore	287	481	29	133
Total	<u>74,509</u>	<u>68,767</u>	<u>148,527</u>	<u>106,951</u>

10. MATERIAL EVENTS SUBSEQUENT TO END OF THE PERIOD

Between the end of the financial period 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 financial period ended 30 September 2018 under review except for the events relating to the acquisition of leasehold land and building and IPO subscription of new ordinary shares in PT Satria Antaran Prima TBK as disclosed in the audited financial statements for the financial year ended 30 June 2018.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter and financial period ended 30 September 2018 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 financial period ended 30 September 2018 under review.



GD EXPRESS CARRIER BHD (Company No. 630579-A)
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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	
	Three Months Ended 30 September		As At 30 September	
	2018	2017	2018	2017
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<u>Revenue</u>				
Provision of express delivery services				
- Singapore Post Limited	2	1	1	1
- Quantum Solutions International(Malaysia) Sdn Bhd	509	673	368	474
- Quantum Solutions Singapore Pte Ltd	25	28	10	7
- Yamato Transport (M) Sdn Bhd	360	256	350	265
<u>Expenses</u>				
Provision of advisory services				
-Yamato Asia Pte Ltd	(30)	(26)	(11)	(25)
Provision and development of software solution				
-Web Bytes Sdn Bhd	(5)	-	-	-

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GD EXPRESS CARRIER BHD (Company No. 630579-A)
(Incorporated in Malaysia under the Companies Act, 1965)

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

1. REVIEW OF PERFORMANCE

Performance for the first (1st) quarter ended 30 September 2018 versus the same quarter in Financial Year Ended 30 June 2018

Group Performance

	Current Quarter Three Months Ended 30 September		Year To-Date Ended 30 September	
	2018	2017	2018	2017
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	74,509	68,767	74,509	68,767
Profit Before Taxation	9,362	9,321	9,362	9,321

Group revenue for the current quarter ended and period ended 30 September 2018 increased 8.3% and the group profit before tax increased 0.4%, as compared to the preceding year corresponding quarter and period ended 30 September 2017.

Higher revenue reported in the current quarter and period ended 30 September 2018 was mainly due to increase in demand of the courier services for e-commerce business.

Segmental Performance

	Courier Services Current Quarter Ended 30 September		Logistics Services Current Quarter Ended 30 September		Property Investment Current Quarter Ended 30 September	
	2018	2017	2018	2017	2018	2017
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	72,685	67,078	1,684	1,689	140	-
Profit/(loss) Before Taxation	10,009	9,015	(195)	306	(452)	-



GD EXPRESS CARRIER BHD (Company No. 630579-A)
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Courier Services

The revenue reported in courier services segment for the current quarter and period ended 30 September 2018 increased 8.4% and the profit before taxation increased 11.0% as compared to the corresponding quarter and period ended 30 September 2017.

Improve in performance for the current period under review was mainly due to increase in demand of the courier services for e-commerce business.

Logistics Services

The revenue reported in the logistics services segment decreased 0.3%, and the profit before taxation reported decreased 163.7% as compared to the corresponding quarter and period ended 30 September 2017.

The decline in performance in logistics services segment in the current quarter and period ended 30 September 2018 under review was mainly due to expenses incurred for warehouse expansion.

Property Investment

No comparison is available in revenue and loss before tax as this is the new segment adopted for the current quarter under review, and most of the facilities are for internal usage.

2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Group Performance

	30.09. 2018 (RM'000)	3 Months Ended 30.06. 2018 (RM'000)
Revenue	74,509	74,360
Profit Before Taxation	9,362	14,071

Group revenue for the current quarter under review increased 0.2% as compared to the preceding quarter, mainly due to increase in demand for e-commerce business.

Profit before tax for the Group declined 33.5% in the current quarter under review as compared to the preceding quarter, mainly due to increase in operating costs for expansion of capacity.



GD EXPRESS CARRIER BHD (Company No. 630579-A)
(Incorporated in Malaysia under the Companies Act, 1965)

Segmental Performance

	Courier Services		Logistics Services		Property Investment	
	Current Quarter Ended 30.09.2018 (RM'000)	Current Quarter Ended 30.06.2018 (RM'000)	Current Quarter Ended 30.09.2018 (RM'000)	Current Quarter Ended 30.06.2018 (RM'000)	Current Quarter Ended 30.09.2018 (RM'000)	Current Quarter Ended 30.06.2018 (RM'000)
Revenue	72,685	72,747	1,684	1,533	140	80
(Loss)/Profit Before Taxation	10,009	14,627	(195)	92	(452)	(648)

Courier Services

The total revenue generated from courier services segment for the current quarter under review was decreased 0.09% as compared to the immediate preceding quarter ended 30 June 2018.

The profit before taxation reported in current quarter declined 31.6% as compared to the immediate preceding quarter, due to increase in operating costs for expansion of our hub and delivery network.

Logistics Services

The revenue generated from logistics services segment for the current quarter under review increased 9.8% and the loss before taxation reported decreased by 312.0% as compared to the immediate preceding quarter ended 30 June 2018.

Property Investment

The revenue and loss before tax for the current quarter ended 30 June 2018 increased 75.0% and decreased by 30.2% as this is the new segment adopted for the current quarter under review, mainly contributed from rental income for properties rented.

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 especially the e-commerce sector. The Group will continue to invest resources and infrastructure to expand domestic and regional network, as well as pro-actively seeking further strategic investment opportunities to enhance the Group's business sustainability.

4. VARIANCE FROM PROFIT FORECAST

No profit forecast was issued during the financial quarter and period ended 30 September 2018 under review.



GD EXPRESS CARRIER BHD (Company No. 630579-A)
(Incorporated in Malaysia under the Companies Act, 1965)

5. TAXATION

Taxation in respect of the current financial quarter and financial period ended 30 September 2018 comprises the following:

	Current Quarter Three Months Ended 30 September		Year To-Date Ended 30 September	
	2018 (RM'000)	2017 (RM'000)	2018 (RM'000)	2016 (RM'000)
Income Tax:-				
Current quarter/period	2,771	1,603	2,771	1,603
Overprovision in prior quarter/period	-	-	-	-
	<hr/> 2,771	<hr/> 1,603	<hr/> 2,771	<hr/> 1,603
Deferred Tax:-				
Current quarter/period	119	(176)	119	(176)
Overprovision in prior quarter/period	-	-	-	-
	<hr/> 119	<hr/> (176)	<hr/> 119	<hr/> (176)
	<hr/> <hr/> 2,890	<hr/> <hr/> 1,427	<hr/> <hr/> 2,890	<hr/> <hr/> 1,427

On 14 December 2017, GD Express Sdn. Bhd. ("GDESB"), a wholly-owned subsidiary of the company was notified that the pioneer status was rescinded as the GDESB's equity structure had not met the requirements of the pioneer status. The rescindment took effect retrospectively from 12 February 2016 onwards. This has resulted higher tax expense for the current quarter under review.

6. UTILISATION OF PROCEEDS

The Group has not raised any proceeds from any of its corporate exercise during the current quarter and period ended 30 September 2018 under review.

7. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced during the current quarter and period ended 30 September 2018 but not completed as at the reporting date.



GD EXPRESS CARRIER BHD (Company No. 630579-A)
(Incorporated in Malaysia under the Companies Act, 1965)

8. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the following:

	2018 (RM'000)	As at 30 September 2017 (RM'000)
Short term borrowings (secured): Denominated in Ringgit Malaysia		
Hire purchase payables	18,190	11,053
Long term borrowings (secured): Denominated in Ringgit Malaysia		
Hire purchase payables	22,265	18,758
Total borrowings	<u>40,455</u>	<u>29,811</u>

There was no unsecured debt during the current quarter and financial period ended 30 September 2018.

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 Directors proposed a final single tier dividend of 0.20 sen per share in respect of the financial year ended 30 June 2018. The proposed dividend which subject to the approval of the shareholders at the forthcoming Annual general Meeting (AGM) of the Company, had not been included as a liability in the financial statements for the financial year ended 30 June 2018.

Save as disclosed above, there were no other dividends declared during the current quarter and financial period ended 30 September 2018 under review.



GD EXPRESS CARRIER BHD (Company No. 630579-A)
(Incorporated in Malaysia under the Companies Act, 1965)

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 30 September		Year To-Date Ended 30 September	
	2018 (RM'000)	2017 (RM'000)	2018 (RM'000)	2017 (RM'000)
Net profit attributable to ordinary shareholders	6,472	7,894	6,472	7,894
Weighted average number of ordinary shares in issue (units)	5,602,624,193	5,576,236,692	5,602,624,193	5,576,236,692
Basic Earnings per share (sen)	0.12	0.14	0.12	0.14

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 30 September		Year To-Date Ended 30 September	
	2018 (RM'000)	2017 (RM'000)	2018 (RM'000)	2017 (RM'000)
Net profit attributable to ordinary shareholders	6,472	7,894	6,472	7,894
Weighted average number of ordinary shares in issue (units)	5,602,624,193	5,576,236,692	5,602,624,193	5,576,236,692
Adjustment for share warrants	81,805,501	293,923,782	81,805,501	293,923,782
Weighted average number of ordinary share in issue (units)	5,684,429,694	5,870,160,474	5,684,429,694	5,870,160,474
Basic Earnings per share (sen)	0.11	0.13	0.11	0.13



GD EXPRESS CARRIER BHD (Company No. 630579-A)
(Incorporated in Malaysia under the Companies Act, 1965)

12. AUDIT REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the year ended 30 June 2018 was not subject to any audit qualification.

13. 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 29 November 2018.

By Order of the Board

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

Selangor Darul Ehsan
Date: 29 November 2018