



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 2019

| | Current Quarter Three Months Ended 31 March | | Current Year To-Date 31 March | |
|-----------------------------------------------------------------|------------------------------------------------------|------------------|-------------------------------------|------------------|
| | 2019 (RM'000) | 2018 (RM'000) | 2019 (RM'000) | 2018 (RM'000) |
| Revenue | 77,969 | 73,402 | 235,287 | 218,628 |
| Operating expenses | (75,738) | (66,503) | (222,105) | (195,883) |
| Other operating income | 2,676 | 2,827 | 16,724 | 9,165 |
| Profit from operations | 4,907 | 9,726 | 29,906 | 31,910 |
| Finance costs | (523) | (504) | (1,558) | (1,350) |
| Share of post-tax loss of associated company | (126) | (30) | (115) | (24) |
| Profit before tax | 4,258 | 9,192 | 28,233 | 30,536 |
| Income tax expense | 1,167 | (6,570) | (5,650) | (13,431) |
| Net profit for the period | 5,425 | 2,622 | 22,583 | 17,105 |
| Other comprehensive income: | | | | |
| Foreign currency translation differences for foreign operations | (10) | (64) | 34 | (132) |
| Fair value adjustments | 7,168 | - | 52,150 | - |
| | 7,158 | (64) | 52,184 | (132) |
| Total comprehensive income for the period | 12,583 | 2,558 | 74,767 | 16,973 |
| Profit attributable to owners of the company | 5,425 | 2,622 | 22,583 | 17,105 |
| Comprehensive income attributable to owners of the company | 12,583 | 2,558 | 74,767 | 16,973 |
| Earnings per share : | | | | |
| Basic EPS (sen) | 0.10 | 0.05 | 0.40 | 0.31 |
| Fully Diluted EPS (sen) | 0.10 | 0.04 | 0.40 | 0.29 |

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)

(Incorporated in Malaysia under the Companies Act, 1965)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2019

| | Unaudited 31.03.2019 (RM'000) | Audited 30.06.2018 (RM'000) |
|--------------------------------------------------------|-------------------------------------|-----------------------------------|
| ASSETS | | |
| Non-current Assets | | |
| Property, plant and equipment | 105,516 | 85,850 |
| Prepaid lease payments | 21,108 | 21,507 |
| Investment properties | 17,900 | 17,900 |
| Investment in associated company | 5,562 | 5,677 |
| Goodwill arising from consolidation | 398 | 398 |
| Investment in quoted shares | 78,757 | - |
| Investment in redeemable convertible preference shares | 500 | - |
| Investment in convertible bonds | - | 10,380 |
| | 229,741 | 141,712 |
| Current Assets | | |
| Inventories | 1,339 | 1,078 |
| Trade receivables | 51,662 | 51,011 |
| Other receivables and prepaid expenses | 21,044 | 17,558 |
| Loan to associated company | 2,000 | - |
| Tax recoverable | 10,446 | 3,383 |
| Short-term funds | 12,096 | 17,036 |
| Deposits with licensed banks | 238,381 | 253,637 |
| Cash and bank balances | 29,505 | 32,640 |
| | 366,473 | 376,343 |
| Total Assets | 596,214 | 518,055 |
| EQUITY AND LIABILITIES | | |
| Capital and reserves | | |
| Share capital | 337,888 | 327,809 |
| Reserves | 185,434 | 121,872 |
| Total Equity | 523,322 | 449,681 |
| Non-Current Liabilities | | |
| Hire-purchase payables – non-current portion | 19,759 | 26,063 |
| Provision for retirement benefits | 326 | 326 |
| Deferred tax liabilities | 5,222 | 4,943 |
| Total Non-current Liabilities | 25,307 | 31,332 |
| Current liabilities | | |
| Trade payables | 2,150 | 2,037 |
| Other payables and accrued expenses | 25,381 | 19,666 |
| Hire-purchase payables - current portion | 19,893 | 15,155 |
| Provision for taxation | 161 | 184 |
| Total Current Liabilities | 47,585 | 37,042 |
| Total Liabilities | 72,892 | 68,374 |
| Total Equity And Liabilities | 596,214 | 518,055 |



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

Net Assets per share attributable to owners of
Company (RM)

0.09

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 2018 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 CHANGES IN EQUITY FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019

| | Issued Share capital (RM'000) | Non- distributable reserves- Translation reserve (RM'000) | Non- distributable reserves- Fair Value reserve (RM'000) | Distributable reserve – Retained earnings (RM'000) | Total (RM'000) |
|------------------------------------------------------|----------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------|
| As of 1 July 2017 | 313,836 | 414 | - | 111,897 | 426,147 |
| Profit for the period | - | - | - | 17,105 | 17,105 |
| Other comprehensive income | - | (132) | - | - | (132) |
| Total comprehensive income for the period | - | (132) | - | 17,105 | 16,973 |
| Arising from warrants exercised | 702 | - | - | - | 702 |
| Dividends | 13,271 | - | - | (13,943) | (672) |
| | 13,973 | (132) | - | 3,162 | 17,003 |
| As of 31 March 2018 | 327,809 | 282 | - | 115,059 | 443,150 |
| As of 1 July 2018 | 327,809 | 290 | - | 121,582 | 449,681 |
| Profit for the period | - | - | - | 22,583 | 22,583 |
| Other comprehensive income | - | 34 | 52,150 | - | 52,184 |
| Total comprehensive income for the period | - | 34 | 52,150 | 22,583 | 74,767 |
| Arising from warrants exercised | - | - | - | - | - |
| Dividends | 10,079 | - | - | (11,205) | (1,126) |
| | 10,079 | 34 | 52,150 | 11,378 | 73,641 |
| As of 31 March 2019 | 337,888 | 324 | 52,150 | 132,960 | 523,322 |

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)
(Incorporated in Malaysia under the Companies Act, 1965)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019

| | Nine Months Ended 31 March | |
|-----------------------------------------------------------|-------------------------------|------------------|
| | 2019 (RM'000) | 2018 (RM'000) |
| Cash flows from operating activities | | |
| Profit for the year | 22,583 | 17,105 |
| Adjustments for non-cash items | 5,303 | 16,834 |
| Operating profit before changes in working capital | <u>27,886</u> | <u>33,939</u> |
| (Increase)/Decrease in working capital | | |
| Inventories | (261) | 289 |
| Receivables, deposits and prepayment | (3,091) | (12,262) |
| Payables and accruals | 5,829 | 9,016 |
| Cash generated from operations | <u>30,363</u> | <u>30,982</u> |
| Income tax paid | (12,457) | (11,796) |
| Net cash from operating activities | <u>17,906</u> | <u>19,186</u> |
| Cash flows from investing activities | | |
| Net cash outflow on acquisition of subsidiary | - | (2,983) |
| Additions to property, plant and equipment | (21,915) | (23,239) |
| Proceeds from disposal of property, plant and equipment | 361 | 103 |
| Interest received | 7,971 | 8,850 |
| Subscription of shares in SAP Express | (26,607) | - |
| Proceeds from redemption of convertible bonds | 17,284 | - |
| Investment in redeemable convertible preference shares | (500) | - |
| Increased in loan to associated company | (2,000) | - |
| Increased in short term funds | 4,940 | - |
| Decrease in fixed deposits with licensed bank | 24,422 | 76,101 |
| Net cash generated from investing activities | <u>3,956</u> | <u>58,832</u> |
| Cash flows from financing activities | | |
| Proceeds from allotment of shares | - | 702 |
| Payment of hire purchase payables | (13,182) | (8,487) |
| Finance costs paid | (1,558) | (1,350) |
| Dividends paid | (1,126) | (672) |
| Net cash used in financing activities | <u>(15,866)</u> | <u>(9,807)</u> |
| Net change in cash and cash equivalents | 5,996 | 68,211 |
| Effect of exchange difference | 34 | (153) |
| Cash and cash equivalents at beginning of period | <u>32,708</u> | <u>74,772</u> |
| Cash and cash equivalents at end of period* | <u>38,738</u> | <u>142,830</u> |

*Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019 (Continued)

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

| | 31 March 2019 (RM'000) | Current Quarter Ended 31 March 2018 (RM'000) |
|----------------------------------|---------------------------------------|---------------------------------------------------------------------|
| Purchase of : | | |
| Property, plant and equipment | 33,530 | 38,753 |
| Financed by: | | |
| Cash payments and other payables | 21,915 | 23,239 |
| Hire-purchase | 11,615 | 15,514 |
| | <u>33,530</u> | <u>38,753</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)
(Incorporated in Malaysia under the Companies Act, 1965)

**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)
(Incorporated in Malaysia under the Companies Act, 1965)

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.

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)
(Incorporated in Malaysia under the Companies Act, 1965)

- 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 31 March 2019 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 31 March 2019 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 31 March 2019 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 2019 under review, except for the following:-

As announced on 22 February 2019, the Company had issued and allotted 38,764,142 new GDEX Shares at the issued price of RM0.2600 per share, pursuant to the Dividend Reinvestment Plan ("DRP").

As announced on 25 February 2019, the aforesaid new GDEX Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on the same date, marking the completion of the DRP. With the listing of the new GDEX Shares, the enlarged issued share capital of the Company is RM337,887,801.63 comprising 5,641,388,335 GDEX Shares.



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 2018 |
|--------------------------------------------------------|------------------|------------------------------------|
| First and final dividend for the financial year | 30 June 2018 | 30 June 2017 |
| Approved and declared on | 6 December 2018 | 6 December 2017 |
| Date paid | 22 February 2019 | 12 February 2018 |
| Number of ordinary shares on which dividends were paid | 5,602,624,193 | 5,576,861,284 |
| Amount per share (Single-tier) | 0.20 sen | 0.25 sen |
| Dividend Reinvestment Plan (Total shares issued)* | 38,764,142 | 24,552,737 |
| Net dividend paid in cash (RM'000) | <u>1,126*</u> | <u>672</u> |

* As announced on 22 February 2019, the Company had issued 38,764,142 new ordinary shares pursuant to the Dividend Reinvestment Plan ("DRP").

The new shares represented approximately 90.0% of the total number of 43,092,108 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 2018. The said new shares were listed on the Main Market of Bursa Malaysia Securities Berhad on 25 February 2019. The net dividend in cash after the new shares issued amounted to RM1,126,565 was paid on 22 February 2019.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



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

8. NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Profit for the current quarter and financial period ended 31 March 2019 arrived at after (charging)/crediting:

| | Current Quarter Three Months Ended 31 March | | Current Year To-Date Ended 31 March | |
|---------------------------------------------------------------------|---------------------------------------------------|------------------|-------------------------------------------|------------------|
| | 2019 (RM'000) | 2018 (RM'000) | 2019 (RM'000) | 2018 (RM'000) |
| Interest income | 2,586 | 2,663 | 7,971 | 8,850 |
| Other income | 90 | 163 | 8,753 | 314 |
| Interest expense | (523) | (504) | (1,558) | (1,350) |
| Depreciation and amortization | (5,052) | (3,921) | (14,146) | (10,859) |
| 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 |

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



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

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 financial period ended 31 March 2019.

Operating Segments

| | Segment Revenue | | Segment Profit / (Loss) | |
|--------------------------------------------------------------------|--------------------|----------------|-------------------------|---------------|
| | Year To-Date Ended | | Year To-Date Ended | |
| | 2019 | 2018 | 2019 | 2018 |
| | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| Express delivery | 228,623 | 213,346 | 33,061 | 32,627 |
| Logistics | 6,244 | 4,995 | (1,488) | 560 |
| Property investment | 420 | 287 | (1,667) | (1,277) |
| Total | 235,287 | 218,628 | 29,906 | 31,910 |
| Finance costs | | | (1,558) | (1,350) |
| Reversal of Impairment loss/(impairment loss) on trade receivables | | | - | - |
| Share of profit of associated company | | | (115) | (24) |
| Profit before tax | | | 28,233 | 30,536 |

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

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



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 31 March | |
|----------------------------------|-------------------------------------------------------------------------------------|--------------------------|
| | 2019 (RM'000) | 2018 (RM'000) |
| Segment Assets | | |
| Express delivery | 528,125 | 465,342 |
| Logistics | 7,046 | 3,074 |
| Property investment | 50,597 | 42,379 |
| | <u>585,768</u> | <u>510,795</u> |
| Unallocated corporate assets | | |
| - Tax recoverable | 10,446 | 1,368 |
| | <u>596,214</u> | <u>512,163</u> |
| Segment Liabilities | | |
| Express delivery | 65,966 | 62,247 |
| Logistics | 595 | 556 |
| Property investment | 948 | 610 |
| | <u>67,509</u> | <u>63,413</u> |
| Unallocated liabilities | | |
| - Tax liabilities | 161 | 1,951 |
| - Deferred tax liabilities | 5,222 | 3,648 |
| | <u>72,892</u> | <u>69,012</u> |
| | 2019 (RM'000) | 2018 (RM'000) |
| Other Segment Information | | |
| Additions to Non-current assets | | |
| - Express delivery | 23,356 | 21,694 |
| - Logistics | 4,229 | 150 |
| - Property investment | 5,945 | 16,909 |
| Depreciation and amortisation | | |
| - Express delivery | 12,608 | 9,841 |
| - Logistics | 703 | 325 |
| - Property investment | <u>835</u> | <u>693</u> |

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)
(Incorporated in Malaysia under the Companies Act, 1965)

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 31 March | | Carrying Amount of Segment Non-Current Assets As At 31 March | |
|-----------|-----------------------------------------------------------------------|------------------|-----------------------------------------------------------------------|------------------|
| | 2019 (RM'000) | 2018 (RM'000) | 2019 (RM'000) | 2018 (RM'000) |
| Malaysia | 234,301 | 217,805 | 229,712 | 136,831 |
| Singapore | 986 | 823 | 29 | 60 |
| Total | <u>235,287</u> | <u>218,628</u> | <u>229,741</u> | <u>136,891</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 31 March 2019 under review except for the events relating to the acquisition of leasehold land and building 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 31 March 2019 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 31 March 2019 under review.



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

14. RELATED PARTY TRANSACTIONS

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

| | Transaction Value Three Months Ended 31 March | | Balance Outstanding As At 31 March | |
|-----------------------------------------------------|-----------------------------------------------------|------------------|---------------------------------------|------------------|
| | 2019 (RM'000) | 2018 (RM'000) | 2019 (RM'000) | 2018 (RM'000) |
| <u>Revenue</u> | | | | |
| Provision of express delivery services | | | | |
| - Singapore Post Limited | 3 | 4 | - | 3 |
| - Quantum Solutions International(Malaysia) Sdn Bhd | 526 | 556 | 528 | 387 |
| - Quantum Solutions Singapore Pte Ltd | 12 | 34 | 2 | 18 |
| - Yamato Transport (M) Sdn Bhd | 347 | 410 | 358 | 395 |
| <u>Expenses</u> | | | | |
| Provision of advisory services | | | | |
| -Yamato Asia Pte Ltd | (30) | (20) | (12) | (2) |
| Provision and development of software solution | | | | |
| -Web Bytes Sdn Bhd | - | (27) | (30) | (117) |

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



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 Third (3rd) Quarter Ended 31 March 2019 versus the same quarter in Financial Year Ended 30 June 2018

Group Performance

| | Current Quarter Three Months Ended 31 March | | Year To-Date Nine Months Ended 31 March | |
|------------------------|---------------------------------------------------|----------|-----------------------------------------------|----------|
| | 2019 | 2018 | 2019 | 2018 |
| | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| Revenue | 77,969 | 73,402 | 235,287 | 218,628 |
| Profit Before Taxation | 4,258 | 9,192 | 28,233 | 30,536 |

Group revenue increased 6.2% and 7.6%, and the group profit before tax declined 53.7% and 7.5% respectively in the current quarter and financial period ended 31 March 2019 under review, as compared to the preceding year corresponding quarter and financial period ended 31 March 2018.

Slight improved in the revenue reported in the current quarter and financial period ended 31 March 2019 was mainly due to contribution from e-commerce business, even though there was a slower pace of parcel volume growth currently. Declined in profit before tax mainly due to the deterioration of revenue yield and business margin as a result of the entrance of new players with competitive pricing.

Segmental Performance

| | Courier Services Current Quarter Ended 31 March | | Logistics Services Current Quarter Ended 31 March | | Property Investment Current Quarter Ended 31 March | |
|-------------------------------------|-------------------------------------------------------|----------|---------------------------------------------------------|----------|----------------------------------------------------------|----------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| Revenue | 75,303 | 71,449 | 2,526 | 1,666 | 140 | 287 |
| Profit/(loss) Before Taxation | 6,015 | 10,423 | (1,187) | 46 | (570) | (1,277) |

Courier Services

The revenue reported in courier services segment for the current quarter ended 31 March 2019 increased 5.4% and the profit before taxation declined 42.3% as compared to the corresponding quarter ended 31 March 2018.

The slight improved in revenue mainly due to contribution from e-commerce business. Despite better revenue achieved in this segment, the profit before tax had declined mainly due to the deterioration of revenue yield and business margin as a result of the entrance of new players with competitive pricing.



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

Logistics Services

The revenue reported in the logistics services segment increased 51.6%, and the profit before taxation reported decreased 2680.4% as compared to the corresponding quarter ended 31 March 2018.

The declined in performance of logistics services segment in current quarter ended 31 March 2019 due to higher warehouse maintenance and rental costs incurred which to provide “value added service” to support the business activities in the courier service segment.

Property Investment

The revenue in the property segment decreased 51.2% and the loss before taxation improved 55.4% mainly due to lesser maintenance expenses incurred during the period under review.

2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER’S RESULTS

Group Performance

| | 31.03.2019 (RM'000) | 3 Months Ended 31.12.2018 (RM'000) |
|------------------------|--------------------------------------|---------------------------------------------------------------|
| Revenue | 77,969 | 82,809 |
| Profit Before Taxation | 4,258 | 14,613 |

Group revenue for the current quarter under review declined 5.8% as compared to the immediate preceding quarter, mainly due to decrease in parcel volume which affected by the numerous public and festive holidays during the current quarter ended 31 March 2019 under review.

Segmental Performance

| | Courier Services | | Logistics Services | | Property Investment | |
|-------------------------------------|-------------------------|-------------------|---------------------------|-------------------|----------------------------|-------------------|
| | Current Quarter | Ended | Current Quarter | Ended | Current Quarter | Ended |
| | 31.03.2019 | 31.12.2018 | 31.03.2019 | 31.12.2018 | 31.03.2019 | 31.12.2018 |
| | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| Revenue | 75,303 | 80,635 | 2,526 | 2,034 | 140 | 140 |
| Profit/(loss) Before Taxation | 6,015 | 15,364 | (1,187) | (106) | (570) | (645) |

Courier Services

The total revenue generated from courier services segment for the current quarter under review declined 6.6% as compared to the immediate preceding quarter ended 31 December 2018.

The profit before taxation reported in current quarter declined 60.9% as compared to the immediate preceding quarter. Better results reported in immediate preceding quarter ended 31 December 2018 mainly due to exceptional gain from redemption of convertible bonds in SAP Express.



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

Logistics Services

The revenue generated from logistics services segment for the current quarter under review increased 24.2% and the loss before taxation reported increased by 1019.8% as compared to the immediate preceding quarter ended 31 December 2018 mainly due to higher warehouse maintenance and rental costs incurred.

Property Investment

The loss before tax for the current quarter ended 31 March 2019 improved 11.6% mainly due to lesser cost incurred for building maintenance.

3. COMMENTARY ON PROSPECTS

Despite the current challenging market environment, the Group will relentlessly review cost rationalization and operational efficiency while at the same time looking at innovative way to overcome the competition. The Group will cautiously invest in resources and infrastructure to expand its domestic and regional network, as well as pro-actively seek further strategic investment opportunities to enhance its business sustainability.

4. VARIANCE FROM PROFIT FORECAST

No profit forecast was issued during the financial quarter and six months ended 31 March 2019 under review.

5. INCOME TAX EXPENSE

Income tax expense in respect of the current quarter and financial period ended 31 March 2019 comprises the following:

| | Current Quarter Three Months Ended 31 March | | Year To-Date Ended 31 March | |
|--------------------------------------------------|---------------------------------------------------|------------------|--------------------------------|------------------|
| | 2019 (RM'000) | 2018 (RM'000) | 2019 (RM'000) | 2018 (RM'000) |
| Income Tax:- | | | | |
| Current quarter/period | 370 | 2,038 | 7,279 | 9,135 |
| (Overprovision)/under in prior quarter/period | (1,908) | 4,695 | (1,908) | 4,695 |
| | (1,538) | 6,733 | 5,371 | 13,830 |
| Deferred Tax:- | | | | |
| Current quarter/period | 371 | (163) | 279 | (399) |
| Overprovision in prior quarter/period | - | - | - | - |
| | 371 | (163) | 279 | (399) |
| | (1,167) | 6,570 | 5,650 | 13,431 |



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

On 14 December 2017, GD Express Sdn Bhd (“GD Express”), a wholly owned subsidiary company of GD Express Carrier Bhd (“GDEX”), was notified that the pioneer status was rescinded as GD Express’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 and financial period months ended 31 March 2019 under review. Nevertheless, subsequent to the financial period ended 31 March 19, GD Express had obtained the approval from Ministry Of Finance (“MOF”) for change of equity structure condition which will result in lower tax expense for the financial year ended 30 June 2019 due to reinstatement of pioneer status tax incentive ended 27 September 2017.

6. UTILISATION OF PROCEEDS

The Group has not raised any proceeds from any of its corporate exercise during the current quarter and financial period ended 31 March 2019 under review.

7. STATUS OF CORPORATE PROPOSALS

As announced by the Board of Directors of GDEX (“Board”) on 2 October 2018 that the Company and two of its wholly-owned subsidiaries namely, GDEX SEA and GD Valueguard (collectively known as “GDEX Companies”), had on the same date confirmed their participation in the IPO of SAP Express for a total cash consideration of approximately IDR92,708,325,000 (equivalent to approximately MYR25.8 Million) from the Initial Public Offering (“IPO”) of SAP Express (“Proposed IPO Subscription”).

As announced on 3 October 2018, further to the Company’s announcement dated 2 October 2018 in relation to the Proposed IPO Subscription, the Company wishes to announce that the Proposed IPO Subscription was completed on 3 October 2018. Upon completion of the Proposed IPO Subscription, GDEX and its two wholly-owned subsidiaries companies namely, GDEX Sea Sdn Bhd and GD Valueguard Sdn Bhd will hold approximately 16.5%, 18% and 10% respectively of the total number of issued shares of SAP Express.

Further to the Company’s amended announcement made on 11 October 2018 in respect of Proposed IPO Subscription, the Company wishes to confirm that the total consideration paid by GDEX for the subscription of 137,500,000 ordinary shares in SAP Express is MYR9,556,250 (equivalent to IDR34,375,000,000).

There were no corporate proposals announced during the current quarter and financial period ended 31 March 2019 but not completed as at the reporting date.

8. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the following:

| | 2019 (RM’000) | As at 31 March 2018 (RM’000) |
|-----------------------------------------|------------------|------------------------------------|
| Short term borrowings (secured): | | |
| Denominated in Ringgit Malaysia | | |
| Hire purchase payables | 19,893 | 13,339 |
| Long term borrowings (secured): | | |
| Denominated in Ringgit Malaysia | | |
| Hire purchase payables | 19,759 | 23,362 |
| Total borrowings | 39,652 | 36,701 |

There was no unsecured debt during the current quarter and financial period ended 31 March 2019.



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

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. DIVIDENDS

The proposed final single tier dividend of 0.20 sen per share in respect of the financial year ended 30 June 2018 amounting to approximately RM11.2 million was approved by the shareholders at the Fifteenth (15th) Annual general Meeting (AGM) of the Company held on 6 December 2018. The dividend was paid on 22 February 2019 as stated in PART A, Note 7.

Save as disclosed above, there were no other dividends declared during the current quarter and financial period ended 31 March 2019 under review.

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 March | | Year To-Date Ended 31 March | |
|-------------------------------------------------------------|---------------------------------------------------|------------------|--------------------------------|------------------|
| | 2019 (RM'000) | 2018 (RM'000) | 2019 (RM'000) | 2018 (RM'000) |
| Net profit attributable to ordinary shareholders | 5,425 | 2,622 | 22,583 | 17,105 |
| Weighted average number of ordinary shares in issue (units) | 5,602,624,193 | 5,591,659,830 | 5,602,624,193 | 5,580,756,293 |
| Basic earnings per share (sen) | 0.10 | 0.05 | 0.40 | 0.31 |



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

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 | | Year To-Date Ended | |
|-------------------------------------------------------------|--------------------|---------------|--------------------|---------------|
| | Three Months Ended | 31 March | 2019 | 2018 |
| | 2019 | 2018 | 2019 | 2018 |
| | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| Net profit attributable to ordinary shareholders | 5,425 | 2,622 | 22,583 | 17,105 |
| Weighted average number of ordinary shares in issue (units) | 5,602,624,193 | 5,591,659,830 | 5,602,624,193 | 5,580,756,293 |
| Adjustment for share warrants | (135,445,262) | 260,996,613 | (20,293,032) | 276,014,995 |
| Weighted average number of ordinary share in issue (units) | 5,467,178,931 | 5,852,656,443 | 5,582,231,161 | 5,856,771,288 |
| Diluted earnings per share (sen) | 0.10 | 0.04 | 0.40 | 0.29 |

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 27 May 2019.

By Order of the Board

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

Selangor Darul Ehsan
Date: 27 May 2019