



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND YEAR ENDED 30 JUNE 2020

	Current Quarter Three Months Ended 30 June		Year Ended 30 June	
	Unaudited 2020 (RM'000)	Audited 2019 (RM'000)	Unaudited 2020 (RM'000)	Audited 2019 (RM'000)
Revenue	104,544	78,571	363,220	313,858
Operating expenses	(97,608)	(71,798)	(350,026)	(293,903)
Other operating income	3,346	3,192	10,714	19,916
Profit from operations	10,282	9,965	23,908	39,871
Finance costs	(1,558)	(501)	(5,753)	(2,059)
Share of post-tax profit of associated companies	588	(5,325)	5,585	(5,440)
Profit before tax	9,312	4,139	23,740	32,372
Income tax expense	(1,165)	5,746	(4,945)	96
Net profit for the quarter / year	8,147	9,885	18,795	32,468
Other comprehensive income:				
Foreign currency translation differences for foreign operations	992	22	803	56
Re-measurements of post-employment benefit	(324)	-	(324)	-
	668	22	479	56
Total comprehensive income for the quarter / year	8,815	9,907	19,274	32,524
Profit attributable to :				
Owners of the parent	7,999	9,885	18,838	32,468
Non-controlling interest	148	-	(43)	-
	8,147	9,885	18,795	32,468
Total comprehensive income attributable to :				
Owners of the parent	8,667	9,907	19,317	32,524
Non-controlling interest	148	-	(43)	-
	8,815	9,907	19,274	32,524
Earnings per share :				
Basic EPS (sen)	0.14	0.18	0.33	0.58

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 2019 and the accompanying explanatory notes attached to the interim financial statements.



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Unaudited 30.06.2020 (RM'000)	Audited 30.06.2019 (RM'000)
ASSETS		
Non-current Assets		
Property, plant and equipment	113,902	108,638
Prepaid lease payments	-	22,612
Right-of-use assets	97,021	-
Investment properties	17,425	18,025
Investment in associated company	35,044	29,044
Loan to an associate	2,050	2,000
Investment in redeemable convertible preference shares	500	500
Intangible asset	194	-
Other non-current asset	559	-
Goodwill	3,455	-
	270,150	180,819
Current Assets		
Inventories	1,223	1,466
Trade receivables	72,159	51,539
Other receivables and prepaid expenses	23,094	22,777
Tax recoverable	21,738	19,332
Short-term funds	78,768	12,200
Deposits with licensed banks	157,217	237,443
Cash and bank balances	31,699	30,059
	385,898	374,816
Total Assets	656,048	555,635
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	337,896	337,888
Treasury shares	(905)	-
Reserves	146,492	141,276
	483,483	479,164
Non-controlling interest	13,247	-
Total Equity	496,730	479,164
Non-Current Liabilities		
Hire-purchase payables – non-current portion	10,710	20,466
Bank borrowings – non-current portion	63	-
Lease liabilities	48,783	-
Provision for retirement benefits	638	321
Other payables	90	-
Deferred tax liabilities	6,315	6,273
Total Non-current Liabilities	66,599	27,060

(Forward)



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

	Unaudited 31.03.2020 (RM'000)	Audited 30.06.2019 (RM'000)
Current liabilities		
Trade payables	11,047	2,881
Other payables and accrued expenses	33,280	26,189
Hire-purchase payables - current portion	18,824	19,722
Bank borrowings – current portion	878	
Lease liabilities – current portion	28,427	-
Provision for taxation	263	619
Total Current Liabilities	<u>92,719</u>	<u>49,411</u>
Total Liabilities	<u>159,318</u>	<u>76,471</u>
Total Equity And Liabilities	<u>656,048</u>	<u>555,635</u>
Net Assets per share attributable to owners of Company (RM)	<u>0.09</u>	<u>0.08</u>

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 2019 and the accompanying explanatory notes attached to the interim financial statements.



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH QUARTER AND YEAR ENDED 30 JUNE 2020

	Issued Share capital (RM'000)	Treasury Shares (RM'000)	Non- distributable reserves- Translation reserve (RM'000)	Distributable reserve – Retained earnings (RM'000)	Attributable to the owners of the parent (RM'000)	Non- controlling interest (RM'000)	Total (RM'000)
As of 1 July 2018, as previously reported	327,809	-	290	121,582	449,681	-	449,681
Effect of change in accounting policy due to adoption of MFRS 9, net of tax	-	-	-	(1,395)	(1,395)	-	(1,395)
Effect of change on accounting policy due to adoption of MFRS 15, net of tax	-	-	-	(519)	(519)	-	(519)
As of 1 July 2018, as restated	327,809	-	290	119,668	447,767	-	447,767
Profit for the year	-	-	-	32,468	32,468	-	32,468
Other comprehensive income	-	-	56	-	56	-	56
Total comprehensive income for the year	-	-	56	32,468	32,524	-	32,524
Arising from dividend reinvestment plan	10,079	-	-	(10,079)	-	-	-
Dividends	-	-	-	(1,127)	(1,127)	-	(1,127)
As of 30 June 2019 (Audited)	337,888	-	346	140,930	479,164	-	479,164

(Forward)



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

	Issued Share capital (RM'000)	Treasury Shares (RM'000)	Non- distributable reserves- Translation reserve (RM'000)	Non- distributable reserves- Fair Value reserve (RM'000)	Distributable reserve – Retained earnings (RM'000)	Attributable to the owners of the parent (RM'000)	Non- controlling interest (RM'000)	Total (RM'000)
As of 1 July 2019	337,888	-	346	-	140,930	479,164	-	479,164
Profit for the year	-	-	-	-	18,838	18,838	(43)	18,795
Other comprehensive income	-	-	803	-	(324)	479	-	479
Total comprehensive income for the year	-	-	803	-	18,514	19,317	(43)	19,274
Arising from warrants exercise	8	-	-	-	-	8	-	8
Own shares acquired during the year	-	(905)	-	-	-	(905)	-	(905)
Acquisition of subsidiary companies	-	-	-	-	-	-	13,290	13,290
Dividends	-	-	-	-	(14,101)	(14,101)	-	(14,101)
As of 30 June 2020 (Unaudited)	337,896	(905)	1,149	-	145,343	483,483	13,247	496,730

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 2019 and the accompanying explanatory notes attached to the interim financial statements.



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH QUARTER AND YEAR ENDED 30 JUNE 2020

	(Unaudited) 2020 (RM'000)	Year Ended 30 June (Audited) 2019 (RM'000)
Cash flows from operating activities		
Profit for the year	18,795	32,468
Adjustments for non-cash items	38,878	7,234
Operating profit before changes in working capital	<u>57,673</u>	<u>39,702</u>
(Increase)/Decrease in working capital		
Inventories	497	(387)
Receivables, deposits and prepayment	2,420	(3,974)
Payables and accruals	4,085	4,367
Cash generated from operations	<u>64,675</u>	<u>39,708</u>
Income tax refunded	543	2,363
Income tax paid	(8,625)	(15,847)
Retirement benefit paid	-	(5)
Net cash from operating activities	<u>56,593</u>	<u>26,219</u>
Cash flows from investing activities		
Net cash outflow on acquisition of subsidiary companies	(6,434)	-
Additions to property, plant and equipment	(11,107)	(24,775)
Additions to prepaid lease payments	-	(1,636)
Decrease in deposits paid for property, plant and equipment	-	284
Dividend income received	-	374
Investment in associated companies	(415)	(2,200)
Investment in redeemable convertible preference shares	-	(500)
Proceeds from disposal of property, plant and equipment	190	243
Interest received	7,507	10,791
Subscription of shares in associate company	-	(26,607)
Proceeds from redemption of convertible bonds	-	17,284
Loan to an associate	(50)	(2,000)
(Increased)/Decreased in short term funds	(64,893)	4,836
Decreased in fixed deposit pledged with licensed bank	96,826	16,126
Net cash generated from investing activities	<u>21,624</u>	<u>(7,780)</u>
Cash flows from financing activities		
Net payment of hire purchase payables	(21,970)	(17,957)
Finance cost paid	(1,932)	(2,059)
Dividends paid	(14,101)	(1,127)
Shares buy-back	(905)	-
Payment of lease liabilities	(18,827)	-
Payment of bank borrowings	(3,019)	-
Proceed from allotment of shares	8	-
Net cash used in financing activities	<u>(60,746)</u>	<u>(21,143)</u>

(Forward)



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

	(Unaudited) 2020 (RM'000)	Year Ended 30 June (Audited) 2019 (RM'000)
Net change in cash and cash equivalents	17,471	(2,704)
Effect of exchange difference	768	56
Cash and cash equivalents at beginning of year	30,060	32,708
Cash and cash equivalents at end of year	<u>48,299</u>	<u>30,060</u>

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

	(Unaudited) 2020 (RM'000)	Year Ended 30 June (Audited) 2019 (RM'000)
Purchase of :		
Property, plant and equipment	<u>22,424</u>	<u>41,701</u>
Financed by:		
Cash payments and other payables	11,107	24,775
Hire-purchase	11,317	16,926
	<u>22,424</u>	<u>41,701</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 2019 and the accompanying explanatory notes attached to the interim financial statements.



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (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 2019.

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 2019.

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

In the current financial year, the Group have adopted the following new MFRSs, Amendments to MFRSs and IC Interpretation issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for the financial period commencing on or after 1 July 2019.

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendments, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Payments
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 Cycle

The adoption of these Standards, Amendments to MFRSs and IC Interpretation did not have any material impact on the financial statements of the Group in the period of initial application except as disclosed below:-.

MFRS 16 Leases

Policy effective from 1 July 2019 (MFRS 16)

(a) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

- the contract involves the use of an identified asset that may be specified explicitly or implicitly, and should be physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the assets is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermined how and for what purpose it will be used.

At inception or on assessment of a contract that contains a lease component, the Group allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

(b) Recognition and initial measurement

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments less any incentives receivables;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price under a purchase option that the Group is reasonably certain to exercise the option; and
- Payments of penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a leave term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

(c) Subsequent measurement

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

Policies applicable prior to 1 July 2019 (MFRS 16)

Operating Leases – as a lessee

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised as an expenses and charged to profit or loss on the straight-line basis over the term of the relevant lease period.

The directors anticipate that the application of the above mentioned Standard may have an impact on the amounts reported and disclosures made in the Group's financial statements. The effects arising from the initial application of MFRS 16 Leases is summarised and disclosed in Note 12.

New and Revised Standards, Amendments and IC Interpretation in Issue but Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised Standards, Amendments and IC Interpretation which were in issue but not yet effective and not early adopted by the Group are as listed below.

MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards ¹
MFRS 17	Insurance Contracts ³
Amendments to MFRS 3	Definition of a Business ¹
Amendments to MFRS 16	Covid-19-Related Rent Concessions ²
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to MFRS 101 and MFRS 108	Definition of Material ¹
Amendments to MFRS 9, MFRS 139, and MFRS 7	Interest Rate benchmark Reform ¹
Amendments to MFRS 3	Reference to the Conceptual Framework ⁴



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ⁴
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use ⁴
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to MFRSs	Annual Improvements to MFRSs 2018 - 2020 ⁴

- ¹ Effective for annual periods beginning on or after 1 January 2020.
- ² Effective for annual periods beginning on or after 1 June 2020.
- ³ Effective for annual periods beginning on or after 1 January 2021.
- ⁴ Effective for annual periods beginning on or after 1 January 2022.
- ⁵ Effective for annual periods beginning on or after a date to be determined.

The directors anticipate that the abovementioned new and revised Standards, Amendments and IC Interpretation will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards, Amendments and IC Interpretation will have no material impact on the financial statements of the Group in the period of initial application.

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 year 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 year ended 30 June 2020 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 year ended 30 June 2020 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 year ended 30 June 2020 under review, except for the followings:-

- i) Repurchased 4,196,300 of its issued ordinary shares by the company from the open market at prices ranging from RM0.150 to RM0.280 per share. The total consideration paid for the repurchases was RM904,860.64 and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia. The details of shares repurchased were as follows:-



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

	Number of shares	Total consideration RM	Highest RM	Lowest RM	Average RM
Share repurchased during the financial year:					
January 2020	800,000	224,601	0.280	0.280	0.280
February 2020	1,500,000	345,850	0.205	0.240	0.231
March 2020	1,896,300	334,410	0.150	0.200	0.176
Balance at 30 June 2020	4,196,300	904,861	0.360	0.355	0.216

- ii) As announced on 10 February 2020, issuance of 21,000 ordinary shares pursuant to the exercise of 21,000 warrants-B at an exercise price of RM0.3825 per ordinary share and was listed on 11 February 2020. The issued and paid up share capital increased from RM337,887,802 comprising of 5,641,388,335 ordinary shares to RM337,895,834 comprising of 5,641,409,335 ordinary shares.
- iii) As announced on 17 February 2020, issuance of 1,500 ordinary shares pursuant to the exercise of 1,500 warrants-B at an exercise price of RM0.3825 per ordinary share and was listed on 18 February 2020. The issued and paid up share capital increased from RM337,887,802 comprising of 5,641,388,335 ordinary shares to RM337,896,408 comprising of 5,641,410,835 ordinary shares.

7. DIVIDEND PAID

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

	2020	Year Ended 30 June 2019
First and final dividend for the financial year	30 June 2019	30 June 2018
Approved and declared on	5 December 2019	6 December 2018
Date paid	21 February 2020	22 February 2019
Number of ordinary shares on which dividends were paid	5,641,388,335	5,602,624,193
Amount per share (Single-tier)	0.25 sen	0.20 sen
Dividend Reinvestment Plan (Total shares issued)*	-	38,764,142
Net dividend paid in cash (RM'000)	<u>14,103</u>	<u>1,126</u>



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (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 / (loss) for the current quarter and financial year ended 30 June 2020 is arrived at after (charging)/crediting:

	Current Quarter Three Months Ended 30 June		Year Ended 30 June	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
Interest income	1,305	2,820	7,507	10,791
Dividend income	601	104	1,675	374
Other income	1,440	55	1,532	858
Interest expense				
- Hire purchase and others	(447)	(501)	(1,932)	(2,059)
- Lease liabilities	(1,111)	-	(3,821)	-
Depreciation and amortization:-				
- Property, plant and equipment	(6,044)	(5,158)	(23,056)	(19,304)
- Right-of-use assets	(5,451)	-	(17,686)	-
Impairment loss/(Reversal of impairment loss) on trade receivables	(1,451)	681	(1,383)	681
Impairment of goodwill	-	(397)	-	(397)
Bad debts written off	(324)	(152)	(324)	(152)
Realised foreign exchange gain or loss	19	(251)	(87)	(251)
Reversal of Tax penalty arising from over provision of income tax expense in prior years	-	955	-	955
Provision for retirement benefits	320	-	(37)	-
Property, plant and equipment written off	-	(91)	-	(91)
Gain on redemption of convertible bonds	-	-	-	7,950
Gain on disposal of property, plant and equipment	91	192	91	192
Fair value (loss)/ gain on investment properties	(600)	125	(600)	125
Provision for and write off of inventories	N/A	N/A	N/A	N/A
Exceptional items	N/A	N/A	N/A	N/A



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (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, Singapore and Vietnam 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 year ended 30 June 2020.

Operating Segments

	Segment Revenue Year Ended 30 June		Segment Profit / (Loss) Year Ended 30 June	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
Express delivery	338,334	295,427	33,087	28,201
Logistics	24,351	17,869	976	7,652
Property investment	535	562	(3,187)	(1,706)
Total	<u>363,220</u>	<u>313,858</u>	<u>30,876</u>	<u>34,147</u>
Finance costs			(5,753)	(2,059)
Impairment loss on goodwill			-	(397)
(Impairment loss)/reversal of Impairment loss on trade receivables			(1,383)	681
Profit before tax			<u>23,740</u>	<u>32,372</u>

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 (Registration No. 200301028159 (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 June	
	2020 (RM'000)	2019 (RM'000)
Segment Assets		
Express delivery	548,919	477,670
Logistics	35,719	7,674
Property investment	49,672	50,960
	634,310	536,304
 Unallocated corporate assets		
- Tax recoverable	21,738	19,331
	656,048	555,635
 Segment Liabilities		
Express delivery	127,606	67,914
Logistics	24,349	800
Property investment	785	865
	152,740	69,579
 Unallocated liabilities		
- Tax liabilities	263	619
- Deferred tax liabilities	6,315	6,273
	159,318	76,471
	 2020 (RM'000)	 2019 (RM'000)
Other Segment Information		
Additions to Property, plant and equipment		
- Express delivery	20,667	30,976
- Logistics	830	4,321
- Property investment	927	8,040
Depreciation		
- Express delivery	20,623	17,232
- Logistics	1,154	933
- Property investment	1,279	1,139

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 (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

Geographical Segments

The following is an analysis of the group's revenue and profit or loss for the year ended 30 June 2020 and carrying amount of segment non-current assets as at 30 June 2020 by the geographical market.

Geographical Segments

	Revenue by Geographical Market For the Year Ended 30 June		Carrying Amount of Segment Non-Current Assets As At 30 June	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
Malaysia	333,772	312,508	259,968	180,792
Singapore	1,891	1,350	425	27
Vietnam	27,557	-	9,757	-
Total	363,220	313,858	270,150	180,919

10. MATERIAL EVENTS DURING AND SUBSEQUENT TO END OF THE FINANCIAL YEAR

During and between the end of the financial year 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 year ended 30 June 2020 under review except for the followings:-

The outbreaks of Coronavirus disease 2019 "COVID-19" has evolved into global pandemic that is adversely affecting global and national economies due to imposition of extensive and unprecedented related measurement on public health, restrictions on travelling and movements, social distancing regulations and constraints on people gathering, as well as the suspension of many business operations and other activities, by many countries in order to curb the spread of virus.

This has interrupted the movement of people and goods throughout the world, and many levels of government are instituting restrictions on individuals and businesses, including Malaysia, where majority of the Group's business operations are located. In relation to this, the Government of Malaysia issued a Federal Government Gazette on 18 March 2020 imposing a Movement Control Order ("MCO") effective from 18 March 2020 to 31 March 2020 arising from the COVID-19 pandemic. The MCO was extended for 2 weeks consecutively on 25 March 2020, 10 April 2020 and 23 April 2020 until 14 April 2020, 28 April 2020 and 12 May 2020 respectively, and followed by the announcement on 10 May 2020 on the further extension of the MCO for another 4 weeks until 9 June 2020, and subsequently with some modifications, the Recovery Movement Control Order ("RMCO"), is still in place.

Since these developments occurred during and subsequent to the end of the financial year ended 30 June 2020, the COVID-19 pandemic is treated as a non-adjusting event in accordance with MFRS 110 Events after the reporting year and therefore, judgements and assumptions used in the preparation of the financial statements of the Group for the current financial year ended 30 June 2020 do not reflect the impacts arising from this non-adjusting event. Notwithstanding that, the Group anticipates that the impacts of COVID-19 would be potentially impact the judgements and assumptions used in the preparation of the financial statements, if any and necessary, and may have a negative bearing on the Group's and the Company's financial performance



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

and condition, and also its liquidity position for the forthcoming financial year, such as expected credit losses of financial assets, fair value measurements of investment properties and financial instruments, and impairment assessments of assets (property, plant and equipment, goodwill, and investments in subsidiaries and associates).

As at the date of the authorisation of this financial statements, the COVID-19 pandemic and the MCO since 18 March 2020 have significant financial impact to the Group, particularly on the demand of B2B shipments under express delivery segment of the Group, even though the business operations of the Group is categorised as an essential activity and resumed operations during the MCO. Nevertheless, the Group is focusing on its efforts in the best possible way to mitigate its impact while protecting the business potential and branding from the medium to long term perspective. The extent of the full potential financial impact on the Group and the Company is difficult to assess in this time in light of prevailing uncertainties over when the pandemic and the MCO will end.

The Group will continue to closely monitor and provide further updates on the financial impact in the financial statements, if any, and mitigating actions relating to the COVID-19 pandemic and also the Government's measures to address the pervasive and underlying effects of the pandemic on everyone.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter and year ended 30 June 2020 under review which including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations, except for the followings:-

- i. The Company entered into Share Sale and Purchase Agreement and Shareholders Agreement in relation on 16 August 2019 to purchase 231,500 ordinary shares representing 40% of the issued and paid up share capital of GDComma Resources Joint Stock Company ("GDComma"), a company incorporated and existing under the Vietnam laws, for a total purchase consideration of RM0.415 million (equivalent to VND2,315,000,000), subject to the terms and conditions as stipulated in the Agreements. Upon completion the fulfillment all the terms and conditions, subsequently, GD3C becomes an associate company of the Group.
- ii. As announced on 15 October 2019, the Company entered into Share Sale and Purchase Agreement and Shareholders Agreement in relation to Noi Bai Express and Trading Joint Stock Company ("Netco"). As announced on 20 December 2019, the Proposed Acquisition has been completed on the said date in accordance with the terms of the Share Sale and Purchase Agreement. Upon completion of the assessment of establishment of "control" in Netco for Group consolidation according to the recommendations and requirements of MFRS 10, and subsequently Netco becomes a 50% owned subsidiary company of the Group.
- iii. On 8 January 2020, the Company entered into Share Sale and Purchase Agreement ("SSPA") and Shareholders Agreement ("SA") in relation to the acquisition of VIVL, a company incorporated in Singapore, to acquire 90 ordinary shares of SGD1 each per share, representing 90% of the total number of ordinary shares of VIVL, for a total consideration of RM2,999,601. Subsequently VIVL becomes a 90% owned subsidiary company of the Group. The intended principal activity of VIVL is provision of advisory services in Vietnam.



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

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 year ended 30 June 2020 under review.

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 30 June		Balance Outstanding As At 30 June	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
<u>Revenue</u>				
Provision of express delivery services				
- Singapore Post Limited	14	2	5	-
- Quantum Solutions International(Malaysia) Sdn Bhd	1,270	611	1,165	309
- Quantum Solutions Singapore Pte Ltd	-	-	-	-
- Yamato Transport (M) Sdn Bhd	4	241	10	11
<u>Interest income</u>				
-Web Bytes Sdn Bhd	50	50	50	-
<u>Expenses</u>				
Provision of advisory services				
-Yamato Asia Pte Ltd	(5)	(30)	(1)	(11)
-Yamato Holdings Co., Ltd	(25)	-	(25)	-
Provision and development of software solution				
-Web Bytes Sdn Bhd	-	-	(17)	(30)



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (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 fourth (4th) quarter and financial year ended 30 June 2020 versus the preceding year corresponding quarter and financial year ended 30 June 2019

Group Performance

	Current Quarter Three Months Ended 30 June		Year Ended 30 June	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
Revenue	104,544	78,571	363,220	313,858
Profit before taxation	9,312	4,139	23,740	32,372

Group revenue for the current quarter ended and year ended 30 June 2020 increased 33.1% and 15.7%, and the group profit before tax increased 125.0% and decreased 26.7% respectively as compared to the preceding year corresponding quarter and year ended 30 June 2019.

Better group revenue reported in the current quarter and year ended 30 June 2020 under review, apart from the contribution by Netco, the Vietnam subsidiary company, it was also due to the increased in demand of courier service after the MCO and EMCO as most of the non-essential customers' business operation are back to normal as well as more on-line purchases during RMCO. Declined in Group performance for the year ended 30 June 2020 basically due to recognition of gain on redemption of convertible bonds in last financial year as well as the impact of MFRS 16 Leases assessment and adjustments.

Segmental Performance

	Courier Services Current Quarter Ended 30 June		Logistics Services Current Quarter Ended 30 June		Property Investment Current Quarter Ended 30 June	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
Revenue	96,648	73,166	7,781	5,263	115	142
Profit/(loss) Before Taxation	9,077	1,399	1,517	2,779	(1,282)	(39)

Courier Services

The revenue reported in courier services segment for the current quarter ended 30 June 2020 increased 32.1%, the profit before taxation increased 548.8% as compared to the corresponding quarter ended 30 June 2019.



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

Improved in performance for the current quarter under review mainly due to increase in demand in courier service during MCO and EMCO as most of the non-essential customers' business operation are back to normal and more on-line purchases during RMCO.

Logistics Services

Despite the revenue reported in the logistics services segment increased by 47.8%, and the profit before taxation reported declined 45.4% as compared to the corresponding quarter ended 30 June 2019.

Declined in performance in logistics services segment in the current quarter ended 30 June 2020 under review was mainly due to expenses incurred for warehouse maintenance, increased in labour cost due to volume surge in B2C business during EMCO and RMCO, as well as impact on MFRS 16 Leases assessment and adjustments.

Property Investment

The revenue reported in property segment for the current quarter ended 30 June 2020 decreased by 19.0%, the loss before taxation increased 3187.2% as compared to the corresponding quarter ended 30 June 2019.

Loss before taxation for the current quarter ended 30 June 2020 under review mainly due to expenses incurred for property maintenance and most of the facilities are for internal usage.

2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

Group Performance

	30.06.2020 (RM'000)	3 Months Ended 31.03.2020 (RM'000)
Revenue	104,544	88,244
Profit Before Taxation	9,312	134

Group revenue for the current quarter under review increased 18.5% and profit before taxation increased 6849.3% as compared to the immediate preceding quarter, mainly contributed by Netco, the Vietnam subsidiary company. Increased demand of courier service as most of the non-essential customers resumed its business operation and also most on-line purchases during this quarter, as well as certain cost caution and control measurement taken by the Group to minimize the operation costs during the EMCO and RMCO period.



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

Segmental Performance

	Courier Services		Logistics Services		Property Investment	
	Current Quarter Ended 30.06.2020 (RM'000)	Ended 31.03.2020 (RM'000)	Current Quarter Ended 30.06.2020 (RM'000)	Ended 31.03.2020 (RM'000)	Current Quarter Ended 30.06.2020 (RM'000)	Ended 31.03.2020 (RM'000)
Revenue	96,648	82,561	7,781	5,603	115	80
Profit/(loss) Before Taxation	9,077	2,135	1,517	(1,324)	(1,282)	(677)

Courier Services

The total revenue and profit before tax generated from courier services segment in the current quarter under review increased 17.1% and 325.2% as compared to the immediate preceding quarter ended 31 March 2020 which mainly due to increased demand of courier service as most of the non-essential customers resumed its business operation and more on-line purchases during this quarter, as well as certain cost caution and control measurement taken by the Group to minimize the operation costs during the EMCO and RMCO period.

Logistics Services

The revenue generated from logistics services segment for the current quarter under review increased 38.9% and the profit before taxation increased 214.6% as compared to the immediate preceding quarter ended 31 March 2020 due to increase in demand of warehousing services and most of the customers are resumed their business operations during RMCO.

Property Investment

The revenue reported in property segment for the current quarter ended 30 June 2020 increased by 43.8%, the loss before taxation increased 89.4% as compared to the corresponding quarter ended 30 June 2019

Declined in performance mainly due to expenses incurred for building maintenance.

3. COMMENTARY ON PROSPECTS

Financial year ended 2020 has been a much more challenging year for the Group and the outbreak of COVID-19 pandemic has imposed new challenges on top of the intense price war among the industry.

COVID-19 has been impacting the Group's performance since January 2020 as the lockdown in China has disrupting the whole supply chain of business operations. When the Government imposed the Movement Control Order ("MCO") on 18th March 2020, it has impacted economic activities but has also triggered a wider adoption of digital technologies among businesses and consumers.

The Group expects to see positive volume growth coming from digital platforms, in all segments of B2B, B2C and C2C. Going forward, the Group will continue to adapt to the challenging environment.



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

4. VARIANCE FROM PROFIT FORECAST

No profit forecast was issued during the financial quarter and year ended 30 June 2020 under review.

5. INCOME TAX EXPENSE

Income tax expense in respect of the current quarter and year ended 30 June 2020 comprises the following:

	Current Quarter Three Months Ended 30 June		Year Ended 30 June	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
Income Tax:-				
Current quarter/period	2,763	434	5,792	7,713
Overprovision in prior quarter/period	(892)	(7,835)	(892)	(9,743)
	1,871	(7,401)	4,900	(2,030)
Deferred Tax:-				
Current quarter/period	(376)	2,065	375	2,344
Overprovision in prior quarter/period	(330)	(410)	(330)	(410)
	(706)	1,655	45	1,934
	(1,165)	(5,746)	4,945	(96)

6. UTILISATION OF PROCEEDS

The Group has not raised any proceeds from any of its corporate exercise during the current quarter and year ended 30 June 2020 under review.

7. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced during the current quarter and year ended 30 June 2020 but not completed as at the reporting date.



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

8. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the following:

	2020 (RM'000)	As at 30 June 2019 (RM'000)
Short term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	18,824	19,722
Bank borrowings	878	-
Long term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	10,710	20,466
Bank borrowings	63	-
Total borrowings	30,475	40,188

There was no unsecured debt during the current quarter and year ended 30 June 2020.

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 in respect of the financial year ended 30 June 2019 amounting to approximately RM14.1 million was approved by the shareholders at the Sixteenth (16th) Annual general Meeting (AGM) of the Company held on 5 December 2019. The dividend was paid on 21 February 2020 as stated in PART A, Note 7.

The Board proposed a final single tier dividend of 0.20 sen per share in respect of the current financial year ended 30 June 2020. The proposed dividend which subject to the approval of 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 2020.

Save as disclosed above, there were no other dividends declared during the current quarter and nine months ended 31 March 2020 under review.



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

11. 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 year ended 30 June 2020.

	Current Quarter Three Months Ended 30 June		Year Ended 30 June	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
Net profit attributable to ordinary shareholders	8,147	9,885	18,795	32,468
Weighted average number of ordinary shares in issue (units)	5,641,410,760	5,432,647,110	5,641,396,936	5,615,936,055
Basic Earnings per share (sen)	0.14	0.18	0.33	0.58

No diluted earnings per share is calculated as the Warrants 2015/2020 ("Warrants-B") had expired and lapsed on 11 February 2020

12. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

Adoption of MFRS 16 Leases

On 1st July 2019, the Group has adopted the requirements of MFRS 16. The changes in accounting policy has been applied prospectively from 1 July 2019. In accordance with the transition requirements, comparative are not restated. The accounting policy is disclosed on Note 2, Part A.

The following table summarise the impacts from the adoption of MFRS 16 on the Group financial statements for the period ended 30 June 2020.

	MFRS 16 adoption RM'000
Effects on:	
Non-current assets	
Right-of-use assets	97,021
Non-current and current liabilities	
Lease payable	77,210
Effects on:	
Retained earnings	
Amortisation of Right-of-use assets	17,686
Interest expenses of Lease liabilities	3,821
Rental payment	(18,827)
	2,680



GD EXPRESS CARRIER BHD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

13. AUDIT REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the year ended 30 June 2019 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 25 August 2020.

By Order of the Board

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

Selangor Darul Ehsan
Date: 25 August 2020