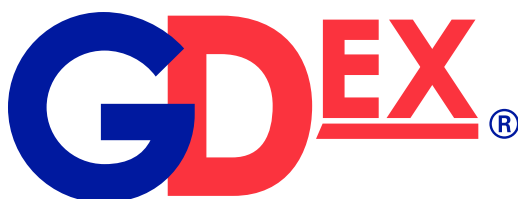


**THIS CIRCULAR/STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused the contents of this Circular/Statement prior to its issuance as it is an exempt document pursuant to Paragraph 2.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular/Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular/Statement.



**GD EXPRESS CARRIER BHD**

(Company No. 630579-A)

(Incorporated in Malaysia)

**PART A**

**CIRCULAR TO SHAREHOLDERS  
IN RELATION TO THE  
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**PART B**

**STATEMENT TO SHAREHOLDERS  
IN RELATION TO THE  
PROPOSED SHARE BUY-BACK AUTHORITY OF UP TO 10%  
OF THE TOTAL ISSUED SHARES OF THE COMPANY**

**AND**

**EXTRACT OF THE NOTICE OF THE SIXTEENTH ANNUAL GENERAL MEETING**

The Notice of the Sixteenth Annual General Meeting (“**16<sup>th</sup> AGM**”) of GD Express Carrier Bhd together with a Form of Proxy are enclosed in the 2019 Annual Report. The 16<sup>th</sup> AGM will be held at Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Thursday, 5 December 2019 at 11:00 a.m.

As a shareholder, you can appoint a proxy or proxies to attend and vote on your behalf. You must complete and deposit the Form of Proxy at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not later than 48 hours before the time set for the 16<sup>th</sup> AGM or any adjournment thereof. You are not precluded from attending and voting in person at the 16<sup>th</sup> AGM should you wish to do so subsequent to the lodging of the Form of Proxy.

Last date and time for lodging the Form of Proxy : Tuesday, 3 December 2019 at 11:00 a.m.

Date and time of the 16<sup>th</sup> AGM : Thursday, 5 December 2019 at 11:00 a.m.

## DEFINITIONS

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Unless otherwise stated, the following definitions shall have the following meanings:

“Act”	:	Companies Act, 2016, as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Board”	:	Board of Directors of GDEX
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W)
“Circular/Statement”	:	This circular/statement to the shareholders of GDEX dated 30 October 2019
“CMSA”	:	Capital Markets and Services Act, 2007, as amended from time to time
“Code”	:	Malaysian Code on Take-Overs and Mergers 2016, as amended from time to time
“Director(s)”	:	Directors of our Company and shall have the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months from the date on which the terms of the transactions were agreed upon:-  (a) a Director of GDEX or any other company which is its subsidiary or holding company; or  (b) a chief executive officer of GDEX, its subsidiary or holding company
“GDEX” or “the Company”	:	GD Express Carrier Bhd (630579-A)
“GDEX Group”	:	GDEX and its subsidiaries, collectively
“GDSB”	:	GD Express Sdn Bhd (347624-X), a wholly-owned subsidiary of GDEX
“GD(S)”	:	GD Express (Singapore) Pte Ltd (200516110Z), a wholly-owned subsidiary of GDEX
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
“LPD”	:	10 October 2019 being the latest practicable date prior to the printing of this Circular/Statement

“Major Shareholder(s)”	<p>: A person who has an interest or interests in one (1) or more voting shares in GDEX and the number or aggregate number of those shares, is:-</p> <p style="margin-left: 20px;">a. 10% or more of the total number of voting shares in GDEX; or</p> <p style="margin-left: 20px;">b. 5% or more of the total number of voting shares in GDEX where such person is the largest shareholder of GDEX.</p> <p>This includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of GDEX as defined above or any other company which is a subsidiary or holding company of GDEX</p> <p>For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act</p>
“Minister”	<p>: The Minister charged with the responsibility for companies, as defined in the Act</p>
“NA”	<p>: Net assets attributable to ordinary equity holders of GDEX</p>
“Person Connected”	<p>: Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements</p>
“Prevailing Laws”	<p>: Prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities</p>
“Proposed Mandate Period”	<p>: The period during which the Recurrent Related Party Transactions are to be entered into for which the proposed mandate is being sought. This period shall commence immediately upon the passing of the resolution in respect of the proposed mandate during the forthcoming AGM until:-</p> <p style="margin-left: 20px;">(a) the conclusion of the first AGM of the listed company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;</p> <p style="margin-left: 20px;">(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or</p> <p style="margin-left: 20px;">(c) revoked or varied by resolution passed by the shareholders in general meeting,</p> <p>whichever is the earlier</p>
“Proposed Renewal of Shareholders’ Mandate”	<p>: Proposed renewal of shareholders’ mandate for the GDEX Group to enter into Recurrent Related Party Transactions</p>
“Proposed Share Buy-Back”	<p>: The proposed authority for GDEX to purchase its own Shares of up to 10% of the total issued shares of the Company</p>
“Purchased Shares”	<p>: Shares to be purchased by GDEX pursuant to the Proposed Share Buy-Back</p>

“QSI (M)”	:	Quantum Solutions International (Malaysia) Sdn Bhd (381221-M), an indirect subsidiary 66%-owned by Singapore Post Limited
“QS (S)”	:	Quantum Solutions (Singapore) Pte Ltd (198200267G), an indirect subsidiary 66%-owned by Singapore Post Limited
“Recurrent Related Party Transaction(s)”	:	Related party transaction(s) which is/are recurrent, of a revenue or trading nature and which is/are necessary for the day-to-day operations of the GDEX Group
“Related Party(ies)”	:	Director(s), Major Shareholder(s) and/or person(s) connected with such Director(s) or Major Shareholder(s)
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“SC”	:	Securities Commission Malaysia
“Share(s)”	:	Ordinary share(s) in GDEX
“SingPost”	:	Singapore Post Limited (199201623M), a company incorporated in Singapore, a substantial shareholder of GDEX
“SingTel”	:	Singapore Telecommunications Limited (199201624D), a company incorporated in Singapore, a substantial shareholder of SingPost
“Substantial Shareholder(s)”	:	Shall have the meaning given in Section 136(2) of the Act
“Temasek”	:	Temasek Holdings (Private) Limited (197401143C), a company incorporated in Singapore, a substantial shareholder of Singtel
“Treasury Shares”	:	The Shares purchased by GDEX which are or will be retained in treasury and shall have the meaning given under Section 127(4)(b) of the Act
“Yamato Asia”	:	Yamato Asia Pte Ltd (201328800W), a company incorporated in Singapore, a substantial shareholder of GDEX
“Yamato Group”	:	Yamato Holdings and its subsidiaries, collectively
“Yamato Holdings”	:	Yamato Holdings Co., Ltd (7010001034964), a company incorporated in Japan, a substantial shareholder of GDEX
“Yamato Transport”	:	Yamato Transport (M) Sdn Bhd (175686-M), a company incorporated in Malaysia, a subsidiary of Yamato Asia Pte Ltd
“Web Bytes”	:	Web Bytes Sdn Bhd (799832-T), a company incorporated in Malaysia, a 32.69%-owned associate company of GDEX

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular/Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular/Statement shall be a reference to Malaysian time, unless otherwise specified.

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**PART A**

**CIRCULAR TO SHAREHOLDERS  
IN RELATION TO THE  
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**



**GD EXPRESS CARRIER BHD**  
(Company No. 630579-A)  
(Incorporated in Malaysia)

**Registered Office:**

12th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan

30 October 2019

**Board of Directors:**

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid (*Independent Non-Executive Chairman*)  
Teong Teck Lean (*Managing Director and Group Chief Executive Officer*)  
Lim Chee Seong (*Executive Director and Chief Financial Officer*)  
Lee Kah Hin (*Executive Director and Chief Investment Officer*)  
Liew Heng Heng (*Independent Non-Executive Director*)  
Adi Arman bin Abu Osman (*Independent Non-Executive Director*)  
Low Ngai Yuen (*Independent Non-Executive Director*)  
Chua Khing Seng (*Non-Independent Non-Executive Director*)  
Lai Tak Loi (*Non-Independent Non-Executive Director*)

**To: The Shareholders of GDEX**

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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**1. INTRODUCTION**

At the AGM held on 6 December 2018, the Company obtained a shareholders' mandate from its shareholders for the GDEX Group to enter into Recurrent Related Party Transactions. The aforesaid authorisation shall in accordance with the Listing Requirements lapse at the conclusion of the forthcoming AGM unless approval for its renewal is obtained from the shareholders of the Company at the forthcoming AGM.

On 8 October 2019, the Board announced that the Company proposed to seek the shareholders' approval for the Proposed Renewal of Shareholders' Mandate which are necessary for the GDEX Group's day-to-day operations and are in the ordinary course of business, which the GDEX Group may from time to time enter into in accordance with Paragraph 10.09, Part E of the Listing Requirements:-

The purpose of this Circular is to provide you with the details of the Proposed Renewal of Shareholders' Mandate together with the recommendation of the Board and to seek your approval on the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled as special business at the forthcoming AGM. The Notice of the AGM together with the Form of Proxy are enclosed in the 2019 Annual Report which are sent to you together with this Circular.



## 2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

### 2.1 Provisions under the Main Market Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders in respect of recurrent related party transactions which are necessary for its day-to-day operations subject to, amongst others, the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:

“in relation to a listed issuer with an issued and paid-up capital which is RM60 million and above –

- (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or
- (ii) the percentage ratio of such Recurrent Related Party Transactions is 1% or more,

whichever is the higher”;

- (c) the listed issuer's circular to shareholders for the shareholders' mandate includes information as may be prescribed by Bursa Securities;
- (d) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested person connected with a Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution to approve the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a recurrent related party transaction entered into by the listed issuer, exceeds the estimated value of the recurrent related party transaction disclosed in the circular by ten percent (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement.

In the ordinary course of its business, the GDEX Group has entered into certain Recurrent Related Party Transactions and it is anticipated that the companies within the GDEX Group would, in the ordinary course of business, continue to enter into such transactions with the Related Parties, details of which are set out in Section 2.5 (a). It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In this regard, the Board proposes to seek a general mandate from the shareholders of the Company to enter into arrangements or transactions with the Related Parties, which are necessary for the day-to-day operations of the GDEX Group based on normal commercial terms that are not more favourable to the Related Parties than those generally available to the public.

## 2.2 Validity period for the Proposed Renewal of Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders of the Company at the forthcoming AGM, will take effect from the date of the passing of the proposed ordinary resolution at the AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority for the proposed mandate is renewed;
  - (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - (c) revoked or varied by resolution passed by the shareholders in general meeting,
- whichever is the earlier.

Thereafter, the approval of the shareholders of the Company will be sought for the renewal of the shareholders' mandate at each subsequent AGM of the Company.

## 2.3 Principal activities of the GDEX Group

GDEX is principally an investment holding company. The principal activities of its subsidiaries which are involved in the Recurrent Related Party Transactions are as follows:

<b>Subsidiaries</b>	<b>Effective equity interest held (%)</b>	<b>Principal activities</b>
GDSB	100	Provision of express delivery services
GD(S)	100	Provision of express delivery services

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## 2.4 Classes of Related Parties

The Proposed Renewal of Shareholders' Mandate involves the following classes of Related Parties:

Transacting Related Parties	Country of incorporation	Nature of transactions	Interested Directors and Major Shareholders	Shareholdings of interested Directors and Major Shareholders in Related Parties		Interest Directors' and Major Shareholders' relationship with Related Parties
				Direct %	Indirect %	
SingPost, a customer to the GDEX Group	Singapore	Provision of express delivery services by the GDEX Group to SingPost	Mr Lai Tak Loi (Appointed on 1 October 2019)	-	-	Mr Lai Tak Loi is a Non-Independent Non-Executive Director of GDEX. He is a Representative of SingPost on the Board of GDEX. SingPost is a Major Shareholder of GDEX
			SingPost SingTel Temasek	11.61 - -	- 11.61 <sup>(1)</sup> 11.61 <sup>(2)</sup>	The transacting party itself A substantial shareholder of SingPost A substantial shareholder of SingTel
Yamato Asia, a vendor to the GDEX Group	Singapore	Provision of advisory services related to express delivery by Yamato Asia to enhance operational efficiency for business collaboration projects between Yamato Group and GDEX Group	Mr Chua Khing Seng	-	-	Mr Chua Khing Seng is a Non-Independent Non-Executive Director of GDEX. He is a Representative of Yamato Asia on the Board of GDEX.
			Yamato Asia Yamato Holdings	22.83 -	- 22.83 <sup>(3)</sup>	The transacting party itself A Major Shareholder of GDEX

## 2.4 Classes of Related Parties (continued)

Transacting Related Parties	Country of Incorporation	Nature of transactions	Interested Directors and Major Shareholders	Shareholdings of interested Directors and Major Shareholders in Related Parties		Interest Directors' and Major Shareholders' relationship with Related Parties
				Direct %	Indirect %	
Yamato Transport, a customer to the GDEX Group	Malaysia	Provision of express delivery services by the GDEX Group to YAMATO Transport	Yamato Asia	22.83	-	Yamato Asia is a Major Shareholder of GDEX and the holding company of Yamato Transport
Web Bytes, a vendor to the GDEX Group	Malaysia	Provision and development of software solution for GDEX	Yamato Transport Yamato Holdings Teong Teck Lean	- - 2.20	- - 36.76 <sup>(4)</sup>	The transacting party itself A Major Shareholder of GDEX Mr Teong Teck Leong is the Managing Director and Group Chief Executive Officer of GDEX. He is GDEX's Representative on the Board of Web Bytes. He is also a Major Shareholder of GDEX
			Lee Kah Hin	0.01	-	Mr Lee Kah Hin is an Executive Director of GDEX. He is GDEX's Representative on the Board of Web Bytes

**Notes:**

- (1) Deemed interested by virtue of interest held through SingPost.
- (2) Deemed interested by virtue of interest held through SingTel
- (3) Deemed interested by virtue of interest held through Yamato Asia.
- (4) Deemed interested by virtue of interest held through GDEX Foundation, GD Express Holdings (M) Sdn Bhd, GD Holdings International Limited and his spouse's direct shareholding in GDEX.

**2.5**

**(a) Nature of Recurrent Related Party Transactions and the estimated values**

The information on the Recurrent Related Party Transactions and their estimated values for which approval is being sought at the forthcoming AGM pursuant to the Proposed Renewal of Shareholders' Mandate are set out below:

(i) Proposed renewal of shareholders' mandate

	Transacting parties		Nature of transactions	Estimated value per last mandate RM'000	Actual value transacted since last AGM to LPD RM'000	Explanation for variation between the actual value and the estimated value by ten percent (10%) or more (if any)	Estimated value during the Proposed Mandate Period* RM'000
	GDEX Group	Related Party					
(i)	GD(S)	SingPost	Provision of express delivery services to SingPost by GD(S)	1,000	10	Not applicable	1,000
(ii)	GDSB	QSI (M)	Provision of express delivery services to QSI (M) by GDSB	5,000	2,325	Not applicable	5,000
(iii)	GD(S)	QS (S)	Provision of express delivery services to QS (S) by GD(S)	2,500	34	Not applicable	2,500

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**2.5 (a) Nature of Recurrent Related Party Transactions and the estimated values (cont'd)**

(i) Proposed renewal of shareholders' mandate (cont'd)

	Transacting parties		Nature of transactions	Estimated value per last mandate RM'000	Actual value transacted since last AGM to LPD RM'000	Explanation for variation between the actual value and the estimated value by ten percent (10%) or more (if any)	Estimated value during the Proposed Mandate Period* RM'000
	GDEX Group	Related Party					
(iv)	GDSB	Yamato Transport, a subsidiary of Asia	Provision of express delivery services to Yamato Transport by GDSB	3,000	1,241	Not applicable	3,000
(v)	GDEX	Yamato Asia	Provision of advisory services related to express delivery by Yamato Asia to enhance operational efficiency for business collaboration projects between Yamato Group and GDEX Group	(250)	(110)	Not applicable	(250)
(vi)	GDEX	Web Bytes	Provision and development of software solution for GDEX	(2,500)	(109)	Not applicable	(2,500)

Note:

\* The amount represents the estimated value of transactions that will be undertaken during the Proposed Mandate Period. These estimated values have been arrived at by the GDEX Group after taking into account the Management's forecasts on transaction values which have been undertaken and anticipated for the Proposed Mandate Period. Nevertheless, the above estimates may vary from the actual amounts and are subject to changes.

The projected amount from 5 December 2019 (date of AGM) to the date of next AGM are based on historical records and projected business transactions volume of the respective Recurrent Related Parties Transactions.

**(b) Amount due from and owing by Related Parties under previous mandate obtained**

As at end of the financial year ended 30 June 2019, there is no amount due and owing by the Related Parties pursuant to the Recurrent Related Party Transactions that has exceeded the credit terms.

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**(c) Methods or procedures on which transaction prices are determined**

The terms, including pricing of the Recurrent Related Party Transactions as set out above are based on normal commercial terms and on transaction price practiced in the industry and are also on similar terms if the same were to be offered to/by third parties. At least two (2) other contemporaneous transactions with unrelated third parties for similar products, services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products, services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction process will be determined based on the GDEX Group's usual business practice.

**2.6 Threshold of authority**

There is no specific threshold for approval of the Recurrent Related Party Transactions within the GDEX Group. However, all Recurrent Related Party Transactions are subject to the approval of the Board. Where any Director has any interest (direct or indirect) in any Recurrent Related Party Transaction, such Director shall abstain from deliberation and voting on the matter. If it is determined that the guidelines and/or procedures stipulated in Section 2.7 of this Circular, are inadequate and to ensure that:

- (a) Recurrent Related Party Transaction(s) will be conducted on an arms' length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (b) such transaction will not be detrimental to the minority shareholders of the Company or prejudicial to the interests of the shareholders,

the Company will obtain a fresh shareholders' mandate.

**2.7 Review methods or procedures for Recurrent Related Party Transactions**

The following review procedures have been formalised to ensure that Recurrent Related Party Transactions contemplated under the Proposed Renewal of Shareholders' Mandate are undertaken on transaction prices and terms no more favourable to the Related Party than those generally available to the public, and are not to the detriment of the minority shareholders of the Company:

**(a) Identification**

- (i) A list of the Related Parties will be circulated within the GDEX Group to notify that all Recurrent Related Party Transactions are required to be undertaken on an arm's length basis, under normal commercial terms consistent with the GDEX Group's business practices and policies, on terms not more favourable to the Related Party than those generally available to the public and not to the detriment of the minority shareholders of the Company.
- (ii) All companies within the GDEX Group are required to inform the Company's headquarters before entering into any Recurrent Related Party Transactions other than those entered into pursuant to the shareholders' mandate. In addition, all heads of department are advised to report on all transactions involving related parties which are to be tabled to the Audit and Risk Management Committee for review on a quarterly basis.



(b) Authorisation

- (i) The pricing methods and procedures of the transactions are to be determined by market forces, under similar commercial terms for transactions with third parties that depend on the demand and supply, quality and the availability of the products/services.
- (ii) All types of Recurrent Related Party Transactions are carried out at arm's length and on the GDEX Group's normal commercial terms which are no more favourable to the related parties than those generally available to the public, and are not to the detriment of the minority shareholders of the Company.
- (iii) The Related Parties and Directors who are deemed interested have been advised of their responsibilities, obligations under the Listing Requirements, and the GDEX Group's policy and procedures for Recurrent Related Party Transactions.
- (iv) If a member of the Board or Audit and Risk Management Committee has an interest, direct or indirect, in any Recurrent Related Party Transaction, he/she shall abstain from any decision-making by the Board or Audit and Risk Management Committee in respect of the said transaction.

(c) Monitoring and Reporting

- (i) A register shall be maintained by the respective companies within the GDEX Group to record all Recurrent Related Party Transactions, including Related Party Transactions which are entered into pursuant to the shareholders' mandate. All Recurrent Related Party Transactions shall be reported to the Audit and Risk Management Committee on a quarterly basis together with the quarterly financial reports.
- (ii) The annual internal audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the shareholders' mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to. Any divergence will be reported to the Audit and Risk Management Committee.
- (iii) The Audit and Risk Management Committee shall review the annual and periodic internal audit reports to ascertain that the guidelines and procedures established to monitor all Recurrent Related Party Transactions have been complied with.
- (iv) The Audit and Risk Management Committee has reviewed and shall continue to review the adequacy and appropriateness of the procedures as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate.
- (v) If during the annual or periodic review as mentioned in Sections (c)(iii) and (iv) above, the Audit and Risk Management Committee is of the opinion that the guidelines and procedures are not sufficient to ensure that all Recurrent Related Party Transactions are undertaken:
  - on arm's length basis;
  - under normal commercial terms consistent with the GDEX Group's business practices and policies;
  - on terms no more favourable to the related parties than those generally available to the public; and
  - not to the detriment of the minority shareholders of the Company,

the Company will procure a fresh mandate from the non-interested shareholders of the Company based on a new or additional set of review procedures and guidelines.

## **2.8 Disclosure in annual report**

Disclosure will be made in the Company's annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions made during the financial year, amongst others, based on the following information:

- (a) the type of Recurrent Related Party Transactions made; and
- (b) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company.

## **2.9 Audit and Risk Management Committee's Statement**

The Audit and Risk Management Committee has seen and reviewed the procedures and processes as set out in Section 2.7 above and is satisfied that the GDEX Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner as well as to ensure that the Recurrent Related Party Transactions will be undertaken:

- (a) on arm's length basis;
- (b) under normal commercial terms consistent with the GDEX Group's business practices and policies;
- (c) on terms no more favourable to the related parties than those generally available to the public; and
- (d) not to the detriment of the minority shareholders of the Company.

The Audit and Risk Management Committee reviews the procedures and processes in Section 2.7 periodically, as and when the need arises.

The Audit and Risk Management Committee is also of the view that the above procedures in Section 2.7 are sufficient to ensure that Recurrent Related Party Transactions are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders.

## **3. RATIONALE FOR AND BENEFITS OF THE RECURRENT RELATED PARTY TRANSACTIONS**

The Recurrent Related Party Transactions entered into by the GDEX Group with the Related Parties are all in the ordinary course of business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and could arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case-to-case basis before entering into such Recurrent Related Party Transactions. Consequently, this will eliminate the need to make regular announcements to Bursa Securities and to convene separate general meetings from time to time to seek shareholders' approval as and when the need arises. Also, it would substantially reduce administrative time, inconvenience and expenses associated with the making of announcements and convening of such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the GDEX Group.

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The Recurrent Related Party Transactions entered into by the GDEX Group with Singpost, QSI (M), QS (S), Yamato Asia, Yamato Transport and Web Bytes are in the ordinary course of business on normal commercial terms and not detrimental to minority shareholders' interests. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions will generate income and expenses to both GDEX Group and the Related Parties. It is in the best interest of the GDEX Group to transact with such related parties so that GDEX Group and the Related Parties could enjoy synergistic benefits. The Proposed Renewal of Shareholders' Mandate would also enable the GDEX Group to broaden its customer base to include related parties.

#### 4. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will not have any material effect on the share capital, shareholdings of the substantial shareholders, earnings per share, net assets per share and working capital of the GDEX Group.

#### 5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSON(S) CONNECTED WITH THEM

The direct and indirect interests of the Interested Directors and interested Major Shareholders of the Company as at LPD are as follows:

	Shareholdings in GDEX as at LPD			
	< -----Direct----- >		< -----Indirect----- >	
	No. of Shares	%	No. of Shares	%
<b>Interested Directors</b>				
Mr Lai Tak Loi ^	-	0.00	-	0.00
Mr Chua Khing Seng ^^	-	0.00	-	0.00
Mr Teong Teck Lean ^^^	124,315,352	2.20	2,073,696,872 <sup>(4)</sup>	36.76
Mr Lee Kah Hin ^^^	716,753	0.01	-	-
<b>Interested Major Shareholders</b>				
SingPost	655,106,119	11.61	-	0.00
SingTel	-	0.00	655,106,119 <sup>(1)</sup>	11.61
Temasek	-	0.00	655,106,119 <sup>(2)</sup>	11.61
Yamato Asia	1,287,938,501	22.83	-	0.00
Yamato Holdings	-	0.00	1,287,938,501 <sup>(3)</sup>	22.83

Notes:

(1) Deemed interested by virtue of interest held through Singpost.

(2) Deemed interested by virtue of interest held through SingTel.

(3) Deemed interested by virtue of interest held through Yamato Asia.

(4) Deemed interested by virtue of interest held through GDEX Foundation, GD Express Holdings (M) Sdn Bhd, GD Holdings International Limited and his spouse's direct shareholding in GDEX.

^ Representative of SingPost on the Board of the Company.

^^ Representative of Yamato Asia on the Board of the Company.

^^^ Representative of the Company on the Board of Web Bytes.

The interested Directors of the Company, namely Teck Lean and Mr Lee Kah Hin, Mr Chua Khing Seng and Mr Lai Tak Loi ("**Interested Directors**") have abstained and will continue to abstain from the Board's deliberations. They will also abstain from voting in respect of their direct and/or indirect shareholdings in GDEX, on the resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

In addition, the interested Major Shareholders of the Company, namely SingPost, SingTel, Temasek, Yamato Asia and Yamato Holdings ("**Interested Major Shareholders**") will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

The aforementioned Interested Directors and Interested Major Shareholders of the Company have also undertaken to ensure that the persons connected with them (if any) will abstain from deliberating and/or voting in respect of their direct and/or indirect shareholdings on the resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

Save as disclosed above, none of the other Directors, Major Shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

## **6. APPROVAL REQUIRED**

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of GDEX at the forthcoming AGM.

## **7. DIRECTORS' RECOMMENDATION**

The Board (save for the Interested Directors), after having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company and accordingly, the Board (save for the Interested Directors) recommends that you vote in favour of the ordinary resolution on Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

## **8. AGM**

The AGM, the notice of which is enclosed in the Annual Report of the Company for financial year ended 30 June 2019 will be held at Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Thursday, 5 December 2019 at 11:00 a.m., for the purpose of considering and, if thought fit, passing, *inter alia*, the ordinary resolution set out in the Notice of AGM, to give effect to the Proposed Renewal of Shareholders' Mandate.

If you are unable to attend or vote in person at the AGM, you will find attached to the Annual Report of the Company for the financial year ended 30 June 2019, a Form of Proxy, which you are required to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the Company's registered office at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the date and time set for the AGM or any adjournment thereof. The lodging of the Form of Proxy will not, however, preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

## **9. FURTHER INFORMATION**

Shareholders are requested to refer to the Appendix I for further information.

Yours faithfully,  
For and on behalf of the Board of  
**GD EXPRESS CARRIER BHD**

**DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID**  
Independent Non-Executive Chairman

**PART B**

**STATEMENT TO SHAREHOLDERS  
IN RELATION TO THE  
PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE UP TO  
TEN PER CENTUM (10%) OF THE TOTAL ISSUED SHARES OF THE COMPANY**



**GD EXPRESS CARRIER BHD**  
(Company No. 630579-A)  
(Incorporated in Malaysia)

**Registered Office:**  
12th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan

30 October 2019

**Board of Directors:**

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid (*Independent Non-Executive Chairman*)  
Teong Teck Lean (*Managing Director and Group Chief Executive Officer*)  
Lim Chee Seong (*Executive Director and Chief Financial Officer*)  
Lee Kah Hin (*Executive Director and Chief Investment Officer*)  
Liew Heng Heng (*Independent Non-Executive Director*)  
Adi Arman bin Abu Osman (*Independent Non-Executive Director*)  
Low Ngai Yuen (*Independent Non-Executive Director*)  
Chua Khing Seng (*Non-Independent Non-Executive Director*)  
Lai Tak Loi (*Non-Independent Non-Executive Director*)

**To: The Shareholders of GDEX**

Dear Sir/Madam,

**PROPOSED SHARE BUY-BACK**

---

**1. INTRODUCTION**

On 8 October 2019, the Board announced to Bursa Securities that the Company proposed to undertake the purchase of its own Shares of up to 10% of the total number of issued shares.

The purpose of this Statement is to provide you with the details of the Proposed Share Buy-Back together with the recommendation of the Board and to seek your approval on the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled as special business at the forthcoming AGM. The Notice of the AGM together with the Form of Proxy are enclosed in the 2019 Annual Report which are sent to you together with this Statement.

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK TO BE TABLED AT THE FORTHCOMING AGM.**

## **2. DETAILS OF THE PROPOSED SHARE BUY-BACK**

### **2.1 Details of the Proposed Share Buy-Back**

The Board proposes to seek the shareholders' approval for the Company to purchase Shares of up to 10% of the total number of issued shares at any point in time, subject to compliance with Section 127 of the Act, Chapter 12 of the Listing Requirements, the Code and any Prevailing Laws at the time of purchase(s).

As at the LPD, the Company's issued share capital stood at RM337,887,801.63 comprising 5,641,388,335 Shares, Hence, subject to the shareholders' approval, the Company may purchase up to 564,138,834 Shares pursuant to the Proposed Share Buy-Back, representing 10% of the total number of issued shares.

The purchase of Shares under the Proposed Share Buy-Back will be carried out through Bursa Securities via stockbroker(s) to be appointed by the Board.

The mandate from the shareholders for the Proposed Share Buy-Back, if granted, will be effective upon the passing of the ordinary resolution for the Proposed Share Buy-Back at the forthcoming AGM of the Company and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed at which time it will lapse unless by ordinary resolution passed at the that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) the authority is revoked or varied by an ordinary resolution passed by the shareholders at in a general meeting of the Company,

whichever occurs first.

The Proposed Share Buy-Back does not impose an obligation on the Company to purchase its own Shares. However, it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

### **2.2 Quantum**

The maximum aggregate number of Shares which may be purchased by the Company shall not exceed 10% of the total number of issued Shares at any point in time. However, the actual number of Shares to be purchased and timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as the availability of the financial resources and retained profits of the Company.

### **2.3 Funding**

Paragraph 12.10(1) of the Listing Requirements stipulated that the Proposed Share Buy-Back must be made wholly out of the retained profits of the Company. The Proposed Share Buy-Back will be financed through internally generated funds.

The Proposed Share Buy-Back is not expected to have a material impact on the cashflow position of the Company. In addition, the Board will ensure that the Company satisfies the solvency test as stated in Section 112(2) of the Act before implementing the Proposed Share Buy-Back.

Based on the latest audited consolidated financial statements for financial year ended 30 June 2019, the retained profits of the Company was approximately RM73,316,827. The Board shall ensure that the maximum funds to be utilised for the Proposed Share Buy-Back shall not exceed the retained profits of the Company.

## **2.4 Treatment of Purchased Shares**

In accordance with Section 127(4) of the Act, the Board may deal with any of the Purchased Shares in the following manner:

- i. cancel the Purchased Shares so purchased;
- ii. retain the Purchased Shares so purchased as Treasury Shares; or
- iii. a combination of (i) and (ii) above.

The decision whether to retain the Purchased Shares as Treasury Shares or to cancel the Purchased Shares or a combination of both, will be made by the Board at the appropriate time subject to compliance with the prevailing laws.

Accordingly, based on Section 127(7) of the Act, where such Purchased Shares are held as Treasury Shares, the Directors may, at their discretion:

- (a) distribute the Purchased Shares as dividends to the shareholders of the Company, such dividends to be known as "share dividends";
- (b) resell the Purchased Shares or any of the shares in accordance with the relevant rules of the Bursa Securities;
- (c) transfer the Purchased Shares, or any of the Purchased Shares for the purposes of or under an employees' share scheme;
- (d) transfer the Purchased Shares, or any of the Purchased Shares as purchase consideration;
- (e) cancel the Purchased Shares or any of the Purchased Shares; or
- (f) sell, transfer or otherwise use the Purchased Shares for such other purposes as the Minister may by order prescribe.

An immediate announcement will be made to Bursa Securities on any purchase of Shares as well as any resale or cancellation of the Treasury Shares or a combination of both.

Pursuant to Section 127(8) of the Act, if the Purchased Shares are held as Treasury Shares, the rights attached to them in relation to voting, dividends and participation in any other distribution and otherwise is suspended. In accordance with Section 127(9) of the Act, the Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting. The Board will be mindful of the interests of the Company and its shareholders in exercising the authority granted by the shareholders in deciding the final number of Shares to be purchased and thereafter cancelled and/or retained as Treasury Shares.

## **2.5 Purchase Price**

In compliance with the Listing Requirements, the Company may only purchase the Shares at a price which is not more than 15% above the weighted average market price for the Shares for the 5 market days immediately before the purchase.



## **2.6 Resale or Transfer Price**

In the case of resale or transfer of Treasury Shares (if any), the Company may only resell Treasury Shares on Bursa Securities or transfer Treasury Shares pursuant to Section 127(7) of the Act at:

- (i) a price which is not less than the weighted average market price for the Shares for the 5 market days immediately before the resale or transfer; or
- (ii) a discounted price of not more than 5% to the weighted average market price for the Shares for the 5 market days immediately before the resale or transfer provided that:
  - (a) the resale or transfer takes place no earlier than 30 days from the date of purchase; and
  - (b) the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

## **2.7 Public Shareholding Spread**

As at LPD, the public shareholding spread of the Company was approximately 25.38%.

The Proposed Share Buy-Back will be carried out in accordance with Section 127 of the Act and any Prevailing Laws and requirements issued by the relevant authorities at the time of purchase including compliance with the 25% shareholding spread requirement as set out in paragraph 8.02(1) of the Listing Requirements.

## **3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back will enable GDEX to utilise its surplus resources to purchase the Shares at prices which the Board views as favourable. It may stabilise the supply and demand of the Shares traded on Bursa Securities and thereby supporting the fundamental value. In addition, where Purchased Shares are held as Treasury Shares, such shares may be resold on Bursa Securities at prices higher than their purchase prices and therefore realising a potential gain without affected the total issued Shares of the Company. The Treasury Shares may be distributed to the shareholders as share dividends, this would serve to reward the shareholders of the Company.

## **4. POTENTIAL ADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

The potential advantages of the Proposed Share Buy-Back are as follows:

- (a) allow the Company to take preventive measures against speculation particularly when the Shares are undervalued, which would, in turn, stabilise the market price of the Shares and hence investors' confidence;
- (b) provide flexibility to the Company to utilise available financial resources to purchase its own Shares;
- (c) allow improvements to the earnings per share with the cancellation of the Purchased Shares or Treasury Shares from the exercise;
- (d) allow the Company to realise potential capital gains if the Purchased Shares which are kept as Treasury Shares are subsequently resold at prices higher than their purchase prices; and
- (e) allow the distribution of Treasury Shares as share dividends to shareholders which serves as a reward to the shareholders of the Company.

## 5. POTENTIAL DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

The potential disadvantages of the Proposed Share Buy-Back to the Company and its shareholders is that the Proposed Share Buy-Back will require utilisation of financial resources which may result in the Company foregoing other investment opportunities and/or foregoing income that may be derived from the deposit of such funds in interest bearing instruments and may also reduce cash dividend distributions to its shareholders.

However, the Proposed Share Buy-Back is not expected to have any potential material disadvantages as it will be exercised only after in-dept consideration of the financial resources of the Company and the potential impact on the Group's earnings and financial position.

## 6. EFFECTS OF THE PROPOSED SHARE BUY-BACK

On the assumption that the Proposed Share Buy-Back is carried out in full, the effects on the existing issued shares capital, NA per share, working capital, earnings, dividends and shareholdings of existing Directors and substantial shareholders of the Company are as set out below:

**Minimum Scenario** : Assuming that none of the Outstanding Warrants are exercised.

**Maximum Scenario** : Assuming that all of the Outstanding Warrants are exercised and converted into new Shares.

### 6.1 Share Capital

The effects of the Proposed Share-Buy-Back on the Shares are set out below:

	<b>After the Proposed Share Buy-Back</b>	
	<b>Minimum Scenario (No. of Issued Shares)</b>	<b>Maximum Scenario (No. of Issued Shares)</b>
Total number of issued shares as at LPD	5,641,388,335	5,641,388,335
Assuming all outstanding Warrants are fully converted	-	706,030,568
Enlarged total number of issued shares	5,641,388,335	6,347,418,903
Maximum number of Shares which may be purchased pursuant to the Proposed Share Buy-Back authority	(564,138,834) <sup>1</sup>	(634,741,890) <sup>1</sup>
<b>Issued and paid-up share capital after the Proposed Share Buy-Back</b>	<b>5,077,249,501</b>	<b>5,712,677,013</b>

*Note:*

<sup>1</sup> Being 10% of the total number of issued Shares as at LPD.

The effect of the Proposed Share Buy-Back on the issued Shares of the Company will depend on whether the Purchased Shares are cancelled or retained as Treasury Shares. If the Purchased Shares are cancelled, the issued Shares of the Company will be reduced by the number of Shares so cancelled. Conversely, if the Purchased Shares are retained as Treasury Shares, resold or distributed to the shareholders, the Proposed Share Buy-Back will not have any effect on the issued Shares of the Company.

### 6.2 Working Capital

The Proposed Share Buy-Back if exercised is likely to reduce the working capital and cash flow of the Company, the quantum of which depends on, amongst others, the purchase price and the actual number of Shares purchased. Notwithstanding, it is not expected to have a material effect on the working capital and cash flow of the Company.

However, the Shares so purchased and maintained as treasury shares may increase the working capital of the Company, if the Treasury Shares are subsequently resold at a higher price than the initial purchase price (subject to the extent of the number of treasury shares resold and the prevalent selling price).

### **6.3 Earnings**

The effect of the Proposed Share Buy-Back if carried out, may give rise to an increased earnings per share of the Company (subject to the purchase price, the actual number of shares bought back and the opportunity cost of the funds utilised for the Proposed Share Buy-Back).

If the Treasury Shares are subsequently sold on Bursa Securities, there will be no impact on the earnings as the gain or loss is taken directly to the equity.

### **6.4 NA per Share**

The effects of the Proposed Share Buy-Back on the NA per Share are dependent on the number of Shares which the Company will buy back, the purchase price and the effective funding cost. The Proposed Share Buy-Back will reduce the NA per share if the purchase price exceeds the NA per share and conversely, will increase the NA per share if the purchase price is less than the NA per share. Should the Company chooses to retain any Purchased Shares as Treasury Shares and subsequently resell the Treasury Shares on Bursa Securities and, depending on the price at which the said Treasury Shares are resold, the Proposed Share Buy-Back may have a positive effect on the NA per share, if a gain is achieved on resale (but subject to the selling price and number of Treasury Shares resold).

### **6.5 Dividends**

The Proposed Share Buy-Back may reduce the amount of retained profits available for payment of cash dividends to its shareholders. Nevertheless, if the Shares so purchased are retained as Treasury Shares, the said Treasury Shares may be distributed as dividends to its shareholders, if the Company so decides. Accordingly, the Directors will fully consider the interest of the Company and its shareholders in implementing the Proposed Share Buy-Back.

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## 6.6 Directors' and Substantial Shareholders' Shareholdings

The proforma effect on the direct and indirect interests of the Directors and substantial shareholders of GDEX as at the LPD has been shown based on the following minimum scenario and maximum scenario:

### Minimum Scenario

#### Assuming none of the Warrants are exercised into new GDEX Shares

Directors	As at LPD			After the Proposed Share Buy-Back			
	Direct		Indirect	Direct		Indirect	
	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	%
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	46,669,483	0.83	9,856,535 <sup>(1)</sup>	46,669,483	0.92	9,856,535 <sup>(1)</sup>	0.19
Teong Teck Lean	124,315,352	2.20	2,073,696,872 <sup>(2)</sup>	124,315,352	2.45	2,073,696,872 <sup>(2)</sup>	40.84
Lim Chee Seong	330,000	0.01	-	330,000	0.01	-	-
Lee Kah Hin	716,735	0.01	-	716,735	0.01	-	-
Liew Heng Heng (f)	4,137,494	0.07	-	4,137,494	0.08	-	-
Adi Arman bin Abu Osman	-	-	-	-	-	-	-
Low Ngai Yuen (f)	-	-	-	-	-	-	-
Chua Khing Seng	-	-	-	-	-	-	-
Lai Tak Loi	-	-	-	-	-	-	-
Substantial Shareholders	As at LPD			After the Proposed Share Buy-Back			
	Direct		Indirect	Direct		Indirect	
	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	%
Teong Teck Lean	124,315,352	2.20	2,073,696,872 <sup>(2)</sup>	124,315,352	2.45	2,073,696,872 <sup>(2)</sup>	40.84
GD Express Holdings (M) Sdn Bhd	1,408,770,556	24.97	-	1,408,770,556	27.75	-	-
GD Holdings International Limited	632,331,693	11.21	-	632,331,693	12.45	-	-
SingPost	655,106,119	11.61	-	655,106,119	12.90	-	-
SingTel	-	-	655,106,119 <sup>(3)</sup>	-	-	655,106,119 <sup>(3)</sup>	12.90
Temasek	-	-	655,106,119 <sup>(4)</sup>	-	-	655,106,119 <sup>(4)</sup>	12.90
Yamato Asia	1,287,938,501	22.83	-	1,287,938,501	25.37	-	-
Yamato Holdings	-	-	1,287,938,501 <sup>(5)</sup>	-	-	1,287,938,501 <sup>(5)</sup>	25.37

**Maximum Scenario**

Assuming all the Warrants are fully exercised into new GDEX Shares and 10% of GDEX Shares are fully purchased

Directors	As at LPD						Assuming all the Warrants are fully exercised and 10% of the GDEX Shares are fully purchased					
	Direct			Indirect			No. of Shares			%		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	46,669,483	0.83	9,856,535 <sup>(1)</sup>	0.17	46,669,483	0.92	9,856,535 <sup>(1)</sup>	0.19	46,669,483	0.92	9,856,535 <sup>(1)</sup>	0.19
Teong Teck Lean	124,315,352	2.20	2,073,696,872 <sup>(2)</sup>	36.76	142,885,228	2.50	2,533,080,860 <sup>(2)</sup>	44.34	142,885,228	2.50	2,533,080,860 <sup>(2)</sup>	44.34
Lim Chee Seong	330,000	0.01	-	-	378,000	0.01	-	-	378,000	0.01	-	-
Lee Kah Hin	716,735	0.01	-	-	716,753	0.01	-	-	716,753	0.01	-	-
Liew Heng Heng (f)	4,137,494	0.07	-	-	4,742,578	0.08	-	-	4,742,578	0.08	-	-
Adi Arman bin Abu Osman	-	-	-	-	-	-	-	-	-	-	-	-
Low Ngai Yuen (f)	-	-	-	-	-	-	-	-	-	-	-	-
Chua Khing Seng	-	-	-	-	-	-	-	-	-	-	-	-
Lai Tak Loi	-	-	-	-	-	-	-	-	-	-	-	-
<b>Substantial Shareholders</b>	<b>As at LPD</b>						<b>Assuming all the Warrants are fully exercised and 10% of the GDEX Shares are fully purchased</b>					
	<b>Direct</b>	<b>Indirect</b>	<b>Direct</b>	<b>Indirect</b>	<b>Direct</b>	<b>Indirect</b>	<b>Direct</b>	<b>Indirect</b>	<b>Direct</b>	<b>Indirect</b>	<b>Direct</b>	<b>Indirect</b>
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Teong Teck Lean	124,315,352	2.20	2,073,696,872 <sup>(2)</sup>	36.76	142,885,228	2.50	2,533,080,860 <sup>(2)</sup>	44.34	142,885,228	2.50	2,533,080,860 <sup>(2)</sup>	44.34
GD Express Holdings (M) Sdn Bhd	1,408,770,556	24.97	-	-	1,617,953,042	28.32	-	-	1,617,953,042	28.32	-	-
GD Holdings International Limited	632,331,693	11.21	-	-	713,740,037	12.49	-	-	713,740,037	12.49	-	-
SingPost	655,106,119	11.61	-	-	655,106,119	11.47	-	-	655,106,119	11.47	-	-
SingTel	-	-	655,106,119 <sup>(3)</sup>	11.61	-	-	655,106,119 <sup>(3)</sup>	11.47	-	-	655,106,119 <sup>(3)</sup>	11.47
Temasek	-	-	655,106,119 <sup>(4)</sup>	11.61	-	-	655,106,119 <sup>(4)</sup>	11.47	-	-	655,106,119 <sup>(4)</sup>	11.47
Yamato Asia	1,287,938,501	22.83	-	-	1,287,938,501	22.55	-	-	1,287,938,501	22.55	-	-
Yamato Holdings	-	-	1,287,938,501 <sup>(5)</sup>	22.83	-	-	1,287,938,501 <sup>(5)</sup>	22.55	-	-	1,287,938,501 <sup>(5)</sup>	22.55

Notes:

- (1) Deemed interested by virtue of interest held through the shareholdings of his spouse and children in Essem Capital Sdn Bhd and Essem Corporation Sdn Bhd, his spouse and children's direct shareholdings in GDEX and interest held through DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Bank of Singapore Limited.
- (2) Deemed interested by virtue of interest held through GDEX Foundation, GD Express Holdings (M) Sdn Bhd, GD Holdings International Limited and his spouse's direct shareholding in GDEX.
- (3) Deemed interested by virtue of interest held through SingPost.
- (4) Deemed interested by virtue of interest held through SingTel
- (5) Deemed interested by virtue of interest held through Yamato Asia.

## 7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of the Shares as traded on Bursa Securities for the past twelve (12) months from October 2018 to September 2019 are as follows:

	<b>High (RM)</b>	<b>Low (RM)</b>
<b>2018</b>		
October	0.445	0.345
November	0.370	0.290
December	0.325	0.255
<b>2019</b>		
January	0.335	0.260
February	0.370	0.285
March	0.395	0.330
April	0.370	0.315
May	0.320	0.275
June	0.290	0.260
July	0.320	0.270
August	0.295	0.270
September	0.315	0.280

(Source: [www.investing.com](http://www.investing.com))

The last transacted price of the Shares on LPD was RM0.290 per Share.

## 8. PREVIOUS PURCHASES, RESALE AND CANCELLATION OF TREASURY SHARES

The Company does not have an existing authority to purchase its own Shares. Hence, the Company does not currently hold any Treasury Shares and has not purchased, resold and/or cancelled any Shares during the last 12 months preceding the LPD.

## 9. IMPLICATION OF THE CODE

In the event that the Proposed Share Buy-Back results in any major shareholder and/or persons acting in concert with him/her/them obtaining control in a Company pursuant to the Code, the affected major shareholder and/or persons acting in concert with him/her/them will be obliged to make a mandatory offer for the remaining Shares not held by him/her/them.

In the event the Proposed Share Buy-Back results in any major shareholder and/or persons acting in concert with him/her/them who already hold more than 33% but less than 50% of the voting shares of the Company increasing by more than 2% in any 6 months period, pursuant to the Code, the affected major shareholder and/or persons acting in concert with him/her/them will be obliged to make a mandatory offer for the remaining Shares not held by him/her/them.

It is not the intention of the Company to cause any shareholders to trigger an obligation to undertake a mandatory general offer under the Code and the Company will be mindful of the above implications of the Code in making any purchase of its own Shares pursuant to the Proposed Share Buy-Back.

However, an exemption from mandatory offer obligation may be granted by the SC under the Code subject to the parties acting in concert complying with the conditions stipulated in the Code.

**10. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

Save for the proportionate increase in the percentage of shareholdings of the Directors, substantial shareholders and persons connected with them as a result of the Proposed Share Buy-Back, none of the Directors and substantial shareholders and/or persons connected to them have any interest in the Proposed Share Buy-Back.

**11. APPROVAL REQUIRED**

The Proposed Share Buy-Back is subject to the approval of the shareholders of GDEX at the forthcoming AGM.

**12. DIRECTORS' RECOMMENDATION**

The Board having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of the Company, and accordingly recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

**13. FURTHER INFORMATION**

Shareholders are requested to refer to the Appendix I for further information.

For and on behalf of the Board of  
**GD EXPRESS CARRIER BHD**

**DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID**  
Independent Non-Executive Chairman

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**ADDITIONAL INFORMATION****1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular/Statement has been seen and approved by our Board and its members who collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular/Statement misleading.

**2. MATERIAL CONTRACTS**

Save as disclosed below, neither the Company nor any of its subsidiaries has entered into any material contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this Circular/Statement:

- (i) A Conditional Share Sale Agreement dated 1 March 2018 entered into between GDSB, MBE Business Corporation Sdn Bhd ("**MBC**") and MBE Business Holding Sdn Bhd ("**MBH**") for the proposed acquisition of 100% of the share capital of MBC and MBH for a total purchase consideration of RM4,000,000.00 and RM1,500,000.00 respectively ("**Proposed Acquisition**"). On 2 May 2018, the Proposed Acquisition was terminated by mutual agreement.
- (ii) A Subscription Agreement dated 23 November 2018 entered into between the Company, Kong Ewe Keat, Web Bytes and ALP Capital Sdn Bhd for the subscription of 50,000 Series 'A' redeemable convertible preference shares ("**A-RCPS**") at RM100.00 per A-RCPS in ALP Capital Sdn Bhd at the total subscription price of RM5,000,000. Concurrently with the execution of Subscription Agreement, the Company also entered into a Shareholders Agreement dated 23 November 2018 with Kong Ewe Keat, Web Bytes and ALP Capital Sdn Bhd to regulate the affairs of ALP Capital Sdn Bhd and their respective rights as shareholders of ALP Capital Sdn Bhd. The Subscription Agreement and Shareholders Agreement were completed on 3 January 2019.
- (iii) A Subscription Agreement dated 2 May 2019 entered into between the Company and Web Bytes for the subscription of 4,000 new ordinary shares in Web Bytes for a total consideration of RM2,200,000.00 only ("**Subscription**"). The Subscription was completed on 4 June 2019.
- (iv) A Share Sale and Purchase Agreement dated 15 October 2019 entered into between the Company, Mr Nguyen Duc The, Ms Trieu Lan Huong and Mr Nguyen Duc Hau (collectively, the "**Vendors**") to acquire from the Vendors the 4,428,355 ordinary shares representing 50% of the total enlarged issued share capital of Noi Bai Express and Trading Joint Stock Company ("**Netco**") for a total consideration of VND76,725,000,000 (equivalent to approximately RM13,852,982). Concurrently with the execution of Share Sale and Purchase Agreement, the Company also entered into a Shareholders Agreement dated 15 October 2019 with 3 Comma Capital Company Limited, Ms Trieu Lan Huong, Mr Nguyen Xuan Hiep, Ms Tran Thi Thuy Hang, Mr Nguyen Thanh Trung and Mr. Nguyen Duc The to regulate their relationships as shareholders of Netco.

**3. MATERIAL LITIGATION**

Neither the Company nor any of its subsidiaries is 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 GDEX Group as at the date of this Circular/Statement.



#### 4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal office hours (except for public holidays) from the date of this Circular/Statement up to and including the date of the forthcoming AGM, at the Registered Office of the C:

- (i) Constitution of GDEX;
- (ii) The latest audited consolidated financial statements of GDEX for the financial years ended 30 June 2018 and 30 June 2019; and
- (iii) The latest unaudited results of GDEX for three (3) months ended 30 June 2019; and
- (iv) Material Contracts as referred to in Section 2 of this Appendix I.

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## EXTRACT OF THE NOTICE OF THE SIXTEENTH AGM

### ORDINARY RESOLUTION 11

#### **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

**"THAT** approval be and is hereby given to the Company and its subsidiaries ("**Group**") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature and with the specified classes of related parties as specified in Section 2.4 of the Circular to Shareholders dated [30] October 2019, provided that:-

- (a) such arrangements and/or transactions are necessary for the Group's day-to-day operations;
- (b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party;
- (c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and
- (d) the disclosure is made in the annual report on the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year in relation to:-
  - (i) the related transacting parties and their respective relationship with the Company; and
  - (ii) the nature of the recurrent transactions.

**THAT** such authority shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the general meeting at which such mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM, the authority is renewed; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- (c) revoked or varied by resolution passed by the shareholders of the Company at a general meeting of the Company,

whichever occurs first.

**AND THAT** the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

### ORDINARY RESOLUTION 12

#### **Proposed Grant of Authority to the Company to Purchase its own Ordinary Shares ("Proposed Share Buy-Back")**

**"THAT** subject to the Companies Act, 2016 ("**Act**"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements and any other relevant authority or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to make purchases of the Company's shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten percent (10%) of the total issued shares of the Company at any point in time of the said purchase(s);

- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of purchase; and
- (c) the authority conferred by this resolution shall continue to be in force until:
  - (i) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
  - (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
  - (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting,whichever occurs first,

but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

**THAT** upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

- (a) cancel all the ordinary shares so purchased; and/or
- (b) retain the ordinary shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
- (c) retain part thereof as treasury shares and cancel the remainder.

**AND THAT** the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the said Directors may deem fit and expedient in the best interests of the Company.”