

THIS CIRCULAR TO SHAREHOLDERS OF GD EXPRESS CARRIER BHD (“GDEX” OR THE “COMPANY”) 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 advisers immediately.

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GD EXPRESS CARRIER BHD

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO THE SHAREHOLDERS OF GDEX IN RELATION TO THE

- (I) **PROPOSED SUBDIVISION OF EVERY ONE (1) EXISTING SHARE OF RM0.10 EACH IN GDEX (“GDEX SHARE”) INTO TWO (2) ORDINARY SHARES OF RM0.05 EACH IN GDEX (“SUBDIVIDED SHARES”) (“PROPOSED SHARE SPLIT”);**
- (II) **PROPOSED BONUS ISSUE OF UP TO 308,623,245 NEW SUBDIVIDED SHARES (“BONUS SHARES”) ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) SUBDIVIDED SHARES HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY WHOSE NAME APPEAR IN THE RECORD OF DEPOSITORS OF THE COMPANY AS AT THE CLOSE OF BUSINESS (“ENTITLED SHAREHOLDERS”) ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“ENTITLEMENT DATE”) (“PROPOSED BONUS ISSUE”);**
- (III) **PROPOSED ESTABLISHMENT OF A DIVIDEND REINVESTMENT PLAN THAT PROVIDES THE SHAREHOLDERS OF GDEX THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN NEW ORDINARY SHARES OF RM0.05 EACH IN GDEX (“PROPOSED DRP”); AND**
- (IV) **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF GDEX TO FACILITATE AND ALLOW THE IMPLEMENTATION OF THE PROPOSED SHARE SPLIT (“PROPOSED AMENDMENTS”).**

(COLLECTIVELY TO BE REFERRED TO AS THE “PROPOSALS”)

Advised by



RHB Investment Bank Berhad

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The extract of the Notice of the Annual General Meeting (“**AGM**”) of GDEX to be held at Dewan Berjaya, Bukit Kiara Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 3 December 2013, at 11.00 a.m., is enclosed herein. The Form of Proxy is attached together with the Annual Report 2013.

A member entitled to attend and vote at the meeting is entitled to appoint proxy or proxies to attend and to vote on his/her behalf. In such event, the Form of Proxy must be lodged at the registered office of GDEX at Lot 6.05, Level 6, KPMG Tower 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the stipulated time fixed for the AGM, as indicated below. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Sunday, 1 December 2013, at 11.00 a.m.
Date and time of the AGM : Tuesday, 3 December 2013, at 11.00 a.m.

This Circular is dated 11 November 2013

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act, 1965
AGM	:	Annual General Meeting
Allotment Date	:	Date of the issuance of new Subdivided Shares which falls within eight (8) Market Days from the Expiry Date or such date as may be prescribed by Bursa Securities
Balance Electable Portion	:	The remaining portion of the Electable Portion not reinvested, if any
Board	:	Board of Directors of GDEX
Bonus Shares	:	Up to 308,623,245 new ordinary shares of RM0.05 each in GDEX to be issued pursuant to the Proposed Bonus Issue
Books Closure Date	:	Books closure date in relation to the Dividends to which the Proposed DRP applies
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (Company No. 635998-W)
CDS	:	Central Depository System
Circular	:	This circular to shareholders of GDEX dated 11 November 2013
Code	:	Malaysian Code on Take-Overs and Mergers 2010
Dividend(s)	:	Cash dividend(s) declared by GDEX whether interim, final, special or any other cash dividend
Dividend Payment Account	:	The non-interest bearing account opened to facilitate the payment of Dividends
Directors	:	The directors of GDEX and shall have the meaning given in Section 4 of the Act
DRP Statement	:	Dividend Reinvestment Plan Statement containing the terms and conditions of the Proposed DRP, of which a draft is appended in Appendix III (A) of this Circular
Electable Portion	:	The whole or a portion of a Dividends in which the Board, at its absolute discretion, determines that the Reinvestment Option applies
Entitled Shareholders	:	The shareholders of GDEX whose names appear in the Company's Record of Depository on the Entitlement Date pursuant to the Proposed Bonus Issue
Entitlement Date	:	The date and time (to be determined and announced later by the Board) on which the Company's Record of Depositors with Bursa Depository will be closed to determine the entitlement of the shareholders to the Proposed Bonus Issue
EPS	:	Earnings per share

DEFINITIONS (CONT'D)

Ex-all Price	:	The theoretical ex-all price, adjusted to include the effects arising from the Proposed Share Split and Proposed Bonus Issue, based on the five (5)-day VWAMP of GDEX Shares prior to the price fixing date
Expiry Date	:	The last day (which will be a date to be fixed and announced by the Board) by which an election made by our Shareholders in relation to the Electable Portion must be received by the Company's Share Registrar
Foreign Addressed Shareholder	:	Shareholder whose address in the Company's Record of Depositors is not in Malaysia
FPE	:	Financial period ended
FYE	:	Financial year ended
GDEX or Company	:	GD Express Carrier Bhd (Company No. 630579-A)
GDEX Group or Group	:	GDEX and its subsidiaries, collectively
GDEX Shares or Shares	:	Ordinary shares of RM0.10 each in GDEX
GDSB	:	GD Express Sdn Bhd (Company No. 347624-X)
Issue Price	:	The issue price of such Subdivided Shares shall be the higher of the following: (a) at an issue price of not more than ten percent (10%) discount to the five (5)-day VWAMP of GDEX Shares immediately before the price fixing date to be determined. For the avoidance of doubt, the VWAMP shall be adjusted for Dividends before applying the aforementioned discount in fixing the Issue Price; or (b) the par value of GDEX Shares at the material time.
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	11 October 2013, being the latest practicable date prior to the printing and despatch of this Circular
M&A	:	Memorandum and Articles of Association of GDEX
Market Day	:	Any day between Monday to Friday (inclusive), excluding public holidays, and on a day on which Bursa Securities is open for the trading of securities
NA	:	Net assets
Non-Electable Portion	:	The portion of the Dividend in which the Board, at its absolute discretion, determines that the Reinvestment Option does not apply
Notice of Election	:	The notice of election in relation to the Reinvestment Option by which the Shareholders confirm the exercise thereof
PAT	:	Profit after taxation
PBT	:	Profit before taxation

DEFINITIONS (CONT'D)

Proposals	:	Proposed Share Split, Proposed Bonus Issue, Proposed DRP and Proposed Amendments, collectively
Proposed Amendments	:	Proposed amendments to the Memorandum and Articles of Association of GDEX to facilitate and allow for implementation of the Proposed Share Split
Proposed Bonus Issue	:	Proposed bonus issue of up to 308,623,245 Bonus Shares on the basis of one (1) Bonus Share for every two (2) Subdivided Shares held by Entitled Shareholders on an Entitlement Date
Proposed DRP	:	Proposed establishment of a dividend reinvestment plan that provides the Shareholders with the option to elect to reinvest their Dividends in Subdivided Shares
Proposed Share Split	:	Proposed subdivision of every one (1) GDEX Shares into two (2) Subdivided Shares in GDEX
Record of Depositors	:	A record of depositors established by Bursa Depository under the Rules of Depository
Reinvestment Option	:	The option given to Shareholders to reinvest the Electable Portion of their Dividends in Subdivided Shares, as the Board may, at its absolute discretion made available
RHB Investment Bank	:	RHB Investment Bank Berhad (Company No. 19663-P)
RM and sen	:	Ringgit Malaysia and sen respectively
Share Registrar	:	Boardroom Corporate Services (KL) Sdn Bhd
Shareholders	:	Shareholders of GDEX
Subdivided Shares	:	Ordinary shares of RM0.05 each in GDEX (after the Proposed Share Split)
VWAMP	:	Volume weighted average market price
Warrants	:	As at the LPD, 44,042,217 outstanding warrants exercisable at RM0.585 per Share as constituted by the deed poll dated 11 January 2011, which will expire on 7 February 2016

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of date in this Circular shall be a reference to Malaysian time, unless otherwise stated. If any period of time is specified from a given day, or the day of a given act or event, it is to be calculated exclusive of that day and if any period of time falls on a Saturday, Sunday or public holiday, then that period is to be deemed to only expire on the next working day.

Any discrepancies in the amounts and percentage figures included herein have been subjected to rounding adjustments.

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GD EXPRESS CARRIER BHD

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

11 November 2013

Board of Directors

Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid (*Independent Non-Executive Chairman*)
Teong Teck Lean (*Managing Director / Group Chief Executive Officer*)
Wong Eng Su (*Executive Director and Chief Operating Officer*)
Dr. Wolfgang Baier (*Non-Independent Non-Executive Director*)
Liew Heng Heng (*Independent Non-Executive Director*)
Lim Cheng Sung @ Lim Cheng Sang (*Independent Non-Executive Director*)
Adi Arman Bin Abu Osman (*Independent Non-Executive Director*)

To: The Shareholders of GDEX

Dear Sir / Madam,

- (I) **PROPOSED SUBDIVISION OF EVERY ONE (1) EXISTING GDEX SHARE INTO TWO (2) SUBDIVIDED SHARES;**
- (II) **PROPOSED BONUS ISSUE OF UP TO 308,623,245 BONUS SHARES ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) SUBDIVIDED SHARES HELD BY THE ENTITLED SHAREHOLDERS AS AT THE ENTITLEMENT DATE;**
- (III) **PROPOSED ESTABLISHMENT OF A DIVIDEND REINVESTMENT PLAN THAT PROVIDES THE SHAREHOLDERS OF GDEX THE OPTION TO ELECT TO REINVEST THEIR DIVIDEND IN SUBDIVIDED SHARES; AND**
- (IV) **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF GDEX TO FACILITATE AND ALLOW THE IMPLEMENTATION OF THE PROPOSED SHARE SPLIT**

1. INTRODUCTION

On 2 September 2013, RHB Investment Bank had on behalf of the Board, announced that GDEX proposed to implement the following:

- (i) Proposed Share Split;
- (ii) Proposed Bonus Issue;
- (iii) Proposed DRP; and
- (iv) Proposed Amendments.

The purpose of this Circular is to provide you with the relevant information on the Proposals and to seek your approval for the resolutions in relation to the Proposals to be tabled at the forthcoming AGM of the Company to be convened, the extract of the notice of AGM are enclosed in this Circular.

SHAREHOLDERS OF GDEX ARE ADVISED TO READ AND CONSIDER CAREFULLY THE ENTIRE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS IN RELATION TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Share Split

2.1.1 Details of the Proposed Share Split

GDEX proposes to undertake a subdivision of every one (1) GDEX Share into two (2) Subdivided Shares in GDEX.

Pursuant to the Proposed Share Split, the issued and paid-up share capital of GDEX will be subdivided from RM26,458,103 comprising of 264,581,028 GDEX Shares to up to RM30,862,325 comprising 617,246,490 Subdivided Shares (assuming all the outstanding Warrants are exercised prior to the implementation of the Proposed Share Split).

As at the LPD, the Company has 44,042,217 outstanding Warrants. Based on the clause pertaining to the adjustments of exercise price and number of Warrants as set out in the deed poll governing the Warrants dated 11 January 2011, adjustments are required to be made pursuant to the Proposed Share Split to the respective existing exercise price of the Warrants and the number of outstanding Warrants which remained unexercised. In addition, any adjustment required will only be determined on the Entitlement Date and will be effective from the commencement of the following Market Day.

The Subdivided Shares shall, upon allotment and issue, rank *pari passu* in all respects with each other.

For illustrative purpose only, based on the last transacted market price of GDEX Shares as at the LPD, the market price of the Subdivided Shares after the Proposed Share Split shall be theoretically adjusted to as follows:

	Assumed no. of ordinary shares	Par value (RM)	Market price per GDEX Share (RM)	Total value (RM)
As at LPD	264,581,028	0.10	3.180	841,367,669
Adjusted for the Proposed Share Split	529,162,056 ⁽¹⁾	0.05	1.590	841,367,669

Note:

(1) Assuming no exercise of Warrants prior to the implementation of the Proposed Share Split.

Based on the above illustration, the Proposed Share Split is not expected to alter the market capitalisation of the GDEX Shares held by the Shareholders.

As the GDEX Shares are prescribed securities, the Subdivided Shares will be credited directly into the respective central depository system accounts of the Entitled Shareholders and no physical share certificate will be issued. A suspension will not be imposed on the trading of the Subdivided Shares pursuant to the Proposed Share Split. Details of the GDEX Shares to be subdivided such as number, type and par value will be announced to Bursa Securities on an entitlement date to be determined later.

2.2 Proposed Bonus Issue

2.2.1 Details of the Proposed Bonus Issue

GDEX proposes to undertake a bonus issue of up to 308,623,245 Subdivided Shares (assuming all the outstanding Warrants are exercised prior to the implementation of Proposed Share Split) in the Company, to be credited as fully paid-up, on the basis of one (1) Bonus Share for every two (2) Subdivided Shares held by Entitled Shareholders on an Entitlement Date.

The Proposed Bonus Issue would result in the issued and paid-up share capital of GDEX increasing from RM26,458,103 comprising 529,162,056 Subdivided Shares to up to RM46,293,487 comprising 925,869,735 Subdivided Shares (assuming all the outstanding Warrants are exercised prior to the implementation of Proposed Share Split).

The actual number of Subdivided Shares to be issued would depend on the issued and paid-up share capital of GDEX on the Entitlement Date after deducting the number of treasury shares held on the Entitlement Date, if any.

In determining the Shareholders' entitlements to the Proposed Bonus Issue, fractional entitlements, if any, will be disregarded and shall be dealt with in such manner as the Directors in their discretion think expedient and in the best interest of the Company.

The Proposed Bonus Issue will not be implemented in stages over a period of time.

2.2.2 Capitalisation of reserves

The Proposed Bonus Issue will be capitalised from the Company's share premium account and retained earnings account. Based on the audited financial statements of GDEX for the FYE 30 June 2013, the share premium account stood at RM2.642 million, the retained earnings stood at RM8.874 million and by 26 September 2013, GDSB, a subsidiary of GDEX paid an interim dividend for the FYE 30 June 2014 amounting to RM11.072 million for the purpose of facilitating the implementation of the Proposed Bonus Issue.

The proposed capitalisation for the Bonus Shares as discussed above is further illustrated below based on GDEX Group's and Company's audited financial statements as at 30 June 2013:

Group level	Maximum Scenario			Minimum Scenario		
	Share premium account (RM'000)	Retained earnings account (RM'000)	Total (RM'000)	Share premium account (RM'000)	Retained earnings account (RM'000)	Total (RM'000)
Audited as at FYE 30 June 2013	2,642	36,271	38,913	2,642	36,271	38,913
Adjustments						
Actual exercise of Warrants up to LPD ⁽¹⁾	1,392	-	1,392	1,392	-	1,392
Exercise of outstanding Warrants as of LPD ⁽²⁾	21,361	-	21,361	-	-	-
Dividend proposed to Shareholders by GDEX on 27 August 2013 ⁽³⁾	-	(6,944)	(6,944)	-	(5,953)	(5,953)
Estimated expenses	-	(500)	(500)	-	(500)	(500)
	25,395	28,827	54,222	4,034	29,818	33,852
Capitalisation for the Proposed Bonus Issue	(15,431)	-	(15,431)	(4,034)	(9,195)	(13,229)
After the Proposed Bonus Issue	9,964	28,827	38,791	-	20,623	20,623

Notes:

- (1) After taking into consideration the exercise of 2,871,045 Warrants from 1 July 2013 to the LPD.
- (2) Assuming all 44,042,217 outstanding Warrants are exercised under the Maximum Scenario and none of the outstanding Warrants are exercised under the Minimum Scenario. The exercise price is assumed to be RM0.585 per GDEX Share.
- (3) Single-tier dividend of RM0.0225 per GDEX Share for the FYE 30 June 2013 as proposed and announced by the Company on 27 August 2013. The proposed dividend shall be adjusted from RM0.0225 per GDEX Share to RM0.01125 per Subdivided Share after taking into consideration the Proposed Share Split.

Company level	Maximum Scenario			Minimum Scenario		
	Share premium account (RM'000)	Retained earnings account (RM'000)	Total (RM'000)	Share premium account (RM'000)	Retained earnings account (RM'000)	Total (RM'000)
Audited as at FYE 30 June 2013	2,642	8,874	11,516	2,642	8,874	11,516
Adjustments						
Interim dividend paid to GDEX from GDSB by 26 September 2013 ⁽¹⁾	-	11,072	11,072	-	11,072	11,072
Actual exercise of Warrants up to LPD ⁽²⁾	1,392	-	1,392	1,392	-	1,392
Exercise of outstanding Warrants as of LPD ⁽³⁾	21,361	-	21,361	-	-	-
Dividend proposed to Shareholders by GDEX on 27 August 2013 ⁽⁴⁾	-	(6,944)	(6,944)	-	(5,953)	(5,953)
Estimated expenses	-	(500)	(500)	-	(500)	(500)
	25,395	12,502	37,897	4,034	13,493	17,527
Capitalisation for the Proposed Bonus Issue	(15,431)	-	(15,431)	(4,034)	(9,195)	(13,229)
After the Proposed Bonus Issue	9,964	12,502	22,466	-	4,298	4,298

Notes:

- (1) Payments of dividend to GDEX from GDSB was declared on 26 August 2013 and payments were made between 9 September 2013 and 26 September 2013.
- (2) After taking into consideration the exercise of 2,871,045 Warrants from 1 July 2013 to the LPD.
- (3) Assuming all 44,042,217 outstanding Warrants are exercised under the Maximum Scenario and none of the outstanding Warrants are exercised under the Minimum Scenario. The exercise price is assumed to be RM0.585 per GDEX Share.
- (4) Single-tier dividend of RM0.0225 per GDEX Share for the FYE 30 June 2013 as proposed and announced by the Company on 27 August 2013. The proposed dividend shall be adjusted from RM0.0225 per GDEX Share to RM0.01125 per Subdivided Share after taking into consideration the Proposed Share Split.

As illustrated in the above table and after taking into account the total interim dividend income of approximately RM11.072 million paid by 26 September 2013 from its subsidiary, GDSB, the Board confirms that based on the latest audited accounts of GDEX for the FYE 30 June 2013:

- (i) the reserves required for capitalisation of the bonus issue are unimpaired by losses in accordance to paragraph 6.30(1) of the Listing Requirements; and
- (ii) the Company will have adequate reserves to cover the capitalisation required for the Proposed Bonus Issue, in accordance with paragraph 6.30(3) of the Listing Requirements.

The Reporting Accountants of the Company, Messrs Deloitte KassimChan had vide its letter dated 31 October 2013 confirmed that, based on the audited financial statements of the Company for the FYE 30 June 2013, the Company has adequate reserves available for the capitalisation of the Bonus Shares pursuant to the Proposed Bonus Issue.

2.2.3 Ranking of Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing GDEX Shares upon listing, save and except that they shall not be entitled to any dividend, rights, allotment and/ or other distributions, the entitlement date of which is prior to the date of allotment of the Bonus Shares.

2.2.4 Listing of and quotation for the Bonus Shares

An application will be made for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities. The Bonus Shares shall be listed and quoted on the Main Market of Bursa Securities on the next Market Day following the Entitlement Date of the Proposed Bonus Issue. The Entitlement Date shall be determined by the Board after the approvals from the relevant authorities and Shareholders have been obtained. The notice of allotment of the Bonus Shares will be issued and despatched to the Entitled Shareholders no later than four (4) Market Days after the date of listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities, or such other period as may be prescribed by Bursa Securities.

As the Bonus Shares are prescribed securities under Section 14(5) of the Securities Industry (Central Depositories) Act, 1991, the Bonus Shares will be credited into the respective Central Depository System (CDS) accounts of the Entitled Shareholders and no physical share certificate will be issued.

2.3 Proposed DRP

2.3.1 Details of the Proposed DRP

The Company proposes to undertake the establishment of a recurrent dividend reinvestment plan that will allow the Shareholders to have the option to elect to reinvest their Dividends in the Subdivided Shares.

The Proposed DRP will provide Shareholders with an opportunity to reinvest their Dividends in Subdivided Shares in lieu of receiving cash.

In relation to Dividends declared, the Board may, at its absolute discretion, determine whether to offer Shareholders a Reinvestment Option and where applicable, the size of the Electable Portion. Shareholders should note that the Company is not obliged to undertake the Proposed DRP for every Dividend declared.

In this respect, the Electable Portion may encompass the whole Dividend declared or only a portion of the Dividend. In the event the Electable Portion is not applicable for the whole Dividend declared, the whole Dividend will be paid in cash.

Unless the Board has determined that the Reinvestment Option will apply to a particular Dividend (or a part thereof), all Dividends as may be declared by GDEX will be paid wholly in cash to Shareholders in the usual manner through a Dividend Payment Account.

2.3.2 Election to reinvest Dividends into Subdivided Shares

Shareholders will have the following options in respect of a Reinvestment Option under the Proposed DRP:

- (a) to elect to participate and thereby reinvest the entire Electable Portion (or a part thereof) at the Issue Price and, in the event only part of the Electable Portion is so reinvested, to receive in cash for the following:
 - (i) Balance Electable Portion; and
 - (ii) Non-Electable Portion; or
- (b) to elect not to participate in the Reinvestment Option and thereby receive the entire Dividend wholly in cash.

GDEX will issue new Subdivided Shares to Shareholders who elect to exercise the Reinvestment Option under the Proposed DRP. The Issue Price which will be determined by the Board on a price fixing date to be announced later, shall be the higher of the following:

- (a) at an issue price of not more than ten percent (10%) discount to the five (5)-day VWAMP of GDEX Shares immediately before the price fixing date to be determined. For the avoidance of doubt, the VWAMP shall be adjusted for Dividends before applying the aforementioned discount in fixing the Issue Price; or
- (b) the par value of GDEX Shares at the material time.

There are no brokerage fees and other related transaction costs payable by Shareholders on new Subdivided Shares allotted.

The Issue Price shall be announced on or before the announcement of the Books Closure Date is made. An approval for the listing of and quotation for the new Subdivided Shares on the Main Market of Bursa Securities will be sought from Bursa Securities and the announcement of the Books Closure Date will be made after receipt of the said approval from Bursa Securities and such approval from other relevant authorities, if any.

Subsequent to the Books Closure Date, a Notice of Election will be despatched to Shareholders. Instructions will be provided in the Notice of Election in respect of the action to be taken by Shareholders should they wish to exercise the Reinvestment Option. The Notice of Election will also state, *inter-alia*, the Expiry Date.

In addition, the Company shall transfer funds amounting to the total net Dividends (after the deduction of any Dividends reinvested in new Subdivided Shares and the deduction of any applicable income tax) from its account to the Dividend Payment Account held in trust for the Shareholders.

In accordance with Paragraph 6.09 of Listing Requirements, GDEX will within eight (8) market days from the Expiry Date or such date as may be prescribed by Bursa Securities, allot and issue the new Subdivided Shares and despatch notices of allotment to Shareholders (who exercise the Reinvestment Option). The new Subdivided Shares to be issued pursuant to the Proposed DRP will not be underwritten.

Further, in accordance with Paragraphs 8.26(2) and 9.19(2)(a)(ii) of the Listing Requirements, a cash dividend must be paid within one (1) month from the Books Closure Date and in any event, within three (3) months from the date of the declaration of the dividend or the date on which the approval is obtained in a general meeting of the Company, whichever is applicable. For avoidance of doubt, Dividends for the Shareholders who do not exercise their Reinvestment Option will also be paid concurrently on the Allotment Date, in cash, in the usual manner. Other than funds to be transferred from the Dividend Payment Account, there will be no new funds to be raised under the Proposed DRP.

An announcement in respect of the day on which the new Subdivided Shares will be listed and quoted on the Main Market of Bursa Securities will also be released by the Company accordingly.

Please refer to **Appendix III (A)** of this Circular for a process flow chart illustrating how the Proposed DRP is intended to be administered.

Shareholders will receive the Electable Portion in cash if they do not expressly elect in writing to exercise the Reinvestment Option by the Expiry Date. As such, Shareholders who wish to receive their Dividends wholly in cash need not take any action with regards to the Notice of Election.

2.3.3 Eligibility to participate in the Proposed DRP

All Shareholders are eligible to participate in the Proposed DRP provided that:

- (a) such participation will not result in a breach of any restrictions on their holding of GDEX Shares which may be imposed by any of their contractual obligations, or by any statute, law or regulation in force in Malaysia or any other relevant jurisdiction, or by any relevant authorities as the case may be (unless the requisite approvals under the relevant statute, law or regulation or from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts); or
- (b) there are no restrictions for such participation as prescribed in the Company's M&A.

The Notice of Election will not be sent to Shareholders whose address in the Company's Record of Depositors is not in Malaysia to avoid any violation on the part of the Company of any securities laws applicable outside Malaysia.

Foreign Addressed Shareholders who wish to participate in the Proposed DRP are strongly advised to collect the documents relating to the Proposed DRP from the Company's Share Registrar located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan or at such address in Malaysia as may be announced by the Company from time to time and the Share Registrar may in such an event be entitled to satisfy itself as to the identity and authority of the person collecting the documents relating to the Proposed DRP. Alternatively, Foreign Addressed Shareholders who wish to participate in the Proposed DRP may provide the Share Registrar with their respective address in Malaysia no later than the relevant Books Closure Date in respect of any particular Dividend to which the Reinvestment Option is offered by the Board.

Foreign Addressed Shareholders who wish to permanently change their address for service of documents to an address in Malaysia should inform their respective stockbrokers to effect the change of address. Such notification should be done prior to the Books Closure Date if they wish to participate in the Proposed DRP.

Foreign Addressed Shareholders will be solely responsible for seeking advice as to the laws of any jurisdiction that they may be subjected to, and participation by Foreign Addressed Shareholders in the Proposed DRP will be on the basis that he may lawfully so participate without the Company, its Directors and employees and its advisers and the employees of the advisers being in breach of the laws of any jurisdiction.

2.3.4 Odd lots

Shareholders who exercise the Reinvestment Option and receive new Subdivided Shares may be allotted such new Subdivided Shares in odd lots. Shareholders who receive odd lots of new Subdivided Shares and wish to trade such odd lots on Bursa Securities should do so on the odd lots market, which allows the trading of odd lots (with a minimum of one (1) Subdivided Share).

2.3.5 Availability of the Proposed DRP

If the Board shall consider that by reason of any event or circumstance (whether arising before or after the Board has determined that the Proposed DRP shall apply to any Dividend and before the allotment and issuance of the new Subdivided Shares in respect of the Electable Portion) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Proposed DRP in respect of a particular Electable Portion, the Board shall have the power to modify, suspend (in whole or in part) or terminate the Proposed DRP at any time it deems fit and expedient, and without assigning any reason thereof, by giving the Shareholders notice in such manner as the Board deems fit.

Subject to any statute, law or regulation in force in Malaysia, as the case may be, the abovementioned power of the Board shall be valid and subsisting irrespective of whether an election to exercise the Reinvestment Option has been made and notwithstanding any other provisions or terms and conditions stated herein or otherwise.

In the event the Board decides to cancel the application of the Proposed DRP in relation to the Electable Portion, Shareholders will receive the Electable Portion, in cash, in the usual manner from the Dividend Payment Account.

2.3.6 Ranking of new Subdivided Shares

The new Subdivided Shares are prescribed securities and will be credited directly into the respective CDS account(s) of Shareholders who exercise their Reinvestment Option. No physical share certificates will be issued.

The new Subdivided Shares shall upon allotment and issuance, rank *pari passu* in all respects with the Company's existing Shares, save and except that the holders of new Subdivided Shares shall not be entitled to any Dividends, rights, allotments and/or other distributions which may be declared, made or paid prior to or on the Allotment Date.

2.3.7 Maximum number of new Subdivided Shares

The maximum number of new Subdivided Shares to be issued and allotted will depend on, amongst others:

- (a) the quantum of the Dividend;
- (b) the Board's decision on the proportion/size of the Electable Portion;
- (c) the number of Shareholders who elect to exercise the Reinvestment Option and the extent of their election;
- (d) the Issue Price of the new Subdivided Shares; and
- (e) any necessary downward adjustment by the Board to the final number of new Subdivided Shares to be allotted and issued to any of the Shareholders.

It should be noted that since fractional new Subdivided Shares will not be allotted, Shareholders shall receive any amount of the Dividend payment that is insufficient for the issuance of one new Subdivided Share, in cash, in the usual manner through the Dividend Payment Account.

2.3.8 Taxation

A tax voucher will be despatched to all Shareholders irrespective of whether the Shareholders make an election to exercise the Reinvestment Option. There is no tax advantage to be gained in exercising the Reinvestment Option or otherwise.

2.3.9 General

The grant of the right to participate in the Proposed DRP will be made to all Shareholders, including Directors, major Shareholders and other interested persons (including persons connected with a Director or major Shareholder) of the Company who hold GDEX Shares, subject to the restrictions referred to in **Section 2.3.3** of this Circular.

Shareholders' approval for the issuance of such number of new Subdivided Shares as may be required pursuant to the exercise of the Reinvestment Option by the Shareholders may be obtained specifically at the AGM of GDEX on an annual basis. Subsequent approvals for future issuances of new Subdivided Shares pursuant to the Proposed DRP will be sought at the Company's AGM on an annual basis where applicable.

Nonetheless, the Shareholders' approval for the Proposed DRP will be sought at the forthcoming AGM.

For avoidance of doubt, the specific approval to be obtained from the Shareholders for the issuance of new Subdivided Shares arising from the Proposed DRP is in addition to the general mandate (i.e. the Shareholders' approval under Section 132D of the Act for general purpose, where the Shares to be issued shall not exceed ten percent (10%) of the nominal value of the total issued and paid-up share capital of the Company) sought at the Company's AGM on an annual basis.

The total cash proceeds from the Proposed DRP cannot be ascertained at this juncture. Therefore, the time frame for utilisation of such cash proceeds cannot be determined. Nonetheless, the net cash proceeds from the Proposed DRP (after the deduction of estimated expenses of RM100,000 in respect of the Proposed DRP) will be utilised towards general working capital purposes of GDEX Group which include, amongst others, to fund the working capital, capital expenditure and continuing growth of the GDEX Group.

The percentage shareholding of a Shareholder in the Company will be diluted should a Shareholder not exercise his/her Reinvestment Option. However, the extent of the dilution will depend on the number of new Subdivided Shares issued by the Company pursuant to the level of the Reinvestment Option exercised by other Shareholders.

Amendments to the M&A of GDEX are not required under the Proposed DRP as neither the M&A of GDEX nor the Act prohibits for the implementation of any dividend reinvestment plan.

2.3.10 Implication of the Code and other shareholding limits

Shareholders should take note of the following:-

Code

Shareholders should take note of Section 9(1) of Part III of the Code and Section 217 of the Capital Markets and Services Act, 2007. In particular, a Shareholder should be aware that he may be under an obligation to extend a take-over offer for the remaining Shares not already owned by him and persons acting in concert with him, if by participating in the Proposed DRP in relation to the reinvestment of the Electable Portion:

- (a) he, together with persons acting in concert with him (collectively, the **“Affected Parties”**), have obtained control in the Company; or
- (b) the Affected Parties have acquired more than 2% of the voting shares or voting rights of the Company in any period of six months and that Affected Parties’ holding was more than 33% but not more than 50% of the voting shares or voting rights of the Company during that six-month period, or such other amount as may be prescribed in the Code, howsoever effected.

In the event an obligation to undertake a mandatory offer is expected to arise with respect to any parties resulting from the exercise of the Reinvestment Option, the Affected Parties may make an application to Securities Commission Malaysia for a waiver from the obligation to undertake a mandatory offer pursuant to the Code prior to them exercising the Reinvestment Option.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under, the Code or other relevant legislation or regulations. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Code as a result of any subscription of new Subdivided Shares through their participation in the Proposed DRP are advised to consult their professional advisers at the earliest opportunity.

Other shareholding limits

Shareholders are reminded to ensure that their participation will not result in a breach of any restrictions on their respective holding of new Subdivided Shares which may be imposed by any of the Shareholders' contractual obligations, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, or by any relevant authorities, as the case may be (unless the requisite approvals under the relevant statute, law or regulation or from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts), or as prescribed in the Company's M&A.

In view of the shareholding limits referred to in this section of this Circular, the Board shall be entitled but not obligated to (save and except where required by law) reduce or limit the number of new Subdivided Shares to be issued to any Shareholder should the Board be aware or be informed in writing of any expected breach of such shareholding limits as a result of the exercise of the Reinvestment Option by such Shareholder.

As at the LPD, GDEX has a public shareholding spread of 25.87%, representing 68,448,274 GDEX Shares held by public shareholders.

The Board is mindful of the requirement under the Listing Requirements that any issuance of new shares pursuant to the Proposed DRP by the Company may result in the public shareholding spread of the Company falling below twenty-five percent (25%) of its total listed shares.

In the event that the public shareholding spread of the Company is not met arising from the implementation of the Proposed DRP, the Company will endeavour to rectify the shortfall in the public shareholding spread and/or seek an extension of time from Bursa Securities to rectify the situation.

Further details on the Proposed DRP are in the DRP Statement governing the Proposed DRP as set out in **Appendix III(B)** of this Circular.

2.4 Proposed Amendments

To accommodate the Proposed Share Split, GDEX also propose to amend the M&A as follows:

- (i) amendment to facilitate the subdivision of the par value of GDEX existing ordinary shares of RM0.10 each to RM0.05 each; and
- (ii) alteration of GDEX's authorised share capital, whereby the authorised share capital of RM50,000,000 comprising 500,000,000 GDEX Shares will be amended to RM50,000,000 comprising 1,000,000,000 Subdivided Shares

Based on the above, GDEX proposed to amend Clause 5 of its Memorandum of Association and Article 4 of its Articles of Association in the following manner:

Existing	Proposed Amendments
<p>Clause 5 of the Memorandum of Association The capital of the Company is Ringgit Malaysia Fifty Million (RM50,000,000.00) divided into Five Hundred Million (500,000,000) ordinary shares of RM0.10 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.</p>	<p>Clause 5 of the Memorandum of Association The capital of the Company is Ringgit Malaysia Fifty Million (RM50,000,000.00) divided into One Billion (1,000,000,000) ordinary shares of RM0.05 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.</p>
<p>Article 4 of the Articles of Association The share capital of the Company as at the date of the adoption of these Articles as the Articles of Association of the Company is RM50,000,000 divided into 50,000,000 share of Ringgit Malaysia (RM1.00) each.</p>	<p>Article 4 of the Articles of Association The authorised share capital of the Company is Ringgit Malaysia Fifty Million (RM50,000,000.00) divided into One Billion (1,000,000,000) ordinary shares of RM0.05 each.</p>

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Share Split

The Proposed Share Split is expected to enhance the marketability and trading liquidity of the GDEX Shares as a result of the increase in the number of GDEX Shares in issue. In addition, the Proposed Share Split is expected to appeal to a wider group of shareholders and investors in term of the affordability of the shares of the Company. The Proposed Share Split will also enable the Shareholders to have a larger number of GDEX Shares while maintaining their percentage of equity interest.

3.2 Proposed Bonus Issue

The Proposed Bonus Issue is undertaken for the following purposes:

- (a) to reward the Shareholders for their continued support and loyalty to the Group by enabling them to have greater participation in the equity of the Company;
- (b) to increase the number of ordinary shares of GDEX held by the Shareholders whilst maintaining their percentage of equity interest in the Company;
- (c) to enhance the marketability and trading liquidity of ordinary shares of GDEX on Bursa Securities by way of a larger capital base; and
- (d) to increase the Company's share capital base to better reflect the current scale of operations of the Group.

3.3 Proposed DRP

The establishment of the Proposed DRP, as part of GDEX's capital management plans, is intended to:

- (a) strengthen GDEX's capital position as any cash so retained within GDEX, that would otherwise be made payable by way of Dividend, will be preserved to fund the GDEX Group's continuing growth and expansion plan, and/or for the GDEX Group's working capital (including payment for general corporate activities and to defray expenses incurred in the course of day-to-day business operations);
- (b) improving the liquidity of Subdivided Shares currently listed on the Main Market of Bursa Securities through the issuance of new Subdivided Shares pursuant to the Proposed DRP resulting in an enlarged GDEX share capital base; and
- (c) provide an opportunity to Shareholders to participate in the Proposed DRP to enjoy dividend yield as the new Subdivided Shares may be issued at a discount and their subscription of such new Subdivided Shares will be free from any brokerage fees and other related transaction costs (unless otherwise provided by any statute, law or regulation).

The Proposed DRP provides an alternative to GDEX to balance the demand of its investors and its capital objective. In relation thereto, the Shareholders will not be worse off as a result of the implementation of the Proposed DRP as those who elect not to exercise the Reinvestment Option can still receive the Dividends in cash.

3.4 Proposed Amendments

The Proposed Amendments is to facilitate and allow the implementation of the Proposed Share Split.

4. EFFECTS OF THE PROPOSALS

The proforma effects of the Proposed Share Split, Proposed Bonus Issue and Proposed DRP on the issued and paid-up share capital, NA, gearing, earnings, EPS and substantial shareholders are set out below based on the following assumptions:

Maximum scenario : Assuming all of the outstanding Warrants are exercised.

Minimum scenario : Assuming none of the outstanding Warrants are exercised.

The Proposed Amendments will not have any effect on the issued and paid-up share capital, NA, gearing, earnings, EPS and substantial shareholders' shareholdings.

The pro forma effects of the number of new Subdivided Shares that the Company could potentially issue pursuant to the Proposed DRP are dependent on several factors include, amongst others:

- (a) the quantum of the Dividend;
- (b) the Board's decision on the proportion/size of the Electable Portion;
- (c) the number of Shareholders who elect to exercise the Reinvestment Option and the extent of their election;
- (d) the Issue Price of the new Subdivided Shares; and
- (e) any necessary downward adjustment by the Board to the final number of new Subdivided Shares to be allotted and issued to any Shareholder.

	Maximum Scenario	Minimum Scenario
Issued and paid-up share capital after the Proposed Share Split	617,246,490	529,162,056
× Dividend* (RM per new Subdivided Share)	0.01125	0.01125
Dividend payout (RM)	6,944,023	5,953,073
÷ Illustrative Issue Price of new Subdivided Shares^ (RM)	0.8328	0.9440
Number of new Subdivided Shares to be issued#	8,338,164	6,306,221

Notes:

* Single-tier dividend of RM0.0225 per GDEX Share for the **FYE 30 June 2013** as proposed and announced by the Company on 27 August 2013 and after adjusting for the Proposed Share Split to RM0.01125 per new Subdivided Share ("**Final Dividend**"). The New Shares to be issued pursuant to the Proposed DRP is envisaged to be issued and allotted after the allotment of the Bonus Shares.

^ Calculated based on the Ex-all Price of GDEX Shares of RM1.0600 (Minimum scenario) and RM0.9366 (Maximum scenario) after deducting the Final Dividend of RM0.01125 per new Subdivided Share and thereafter, applying the maximum allowable discount of 10%.

The Ex-all Price of GDEX Shares are calculated as follows:

Minimum Scenario	Number of shares	Price (RM)	Value (RM)
Existing as at LPD	264,581,028	3.1800	841,367,669
Pursuant to the Proposed Share Split	264,581,028	-	-
After the Proposed Share Split	529,162,056	1.5900	841,367,669
Pursuant to the Proposed Bonus Issue	264,581,028	-	-
After the Proposed Bonus Issue	793,743,084	1.0600	841,367,669
Maximum Scenario	Number of shares	Price (RM)	Value (RM)
Existing as at LPD	264,581,028	3.1800	841,367,669
Pursuant to the exercise of all outstanding Warrants	44,042,217	0.5850	25,764,697
After the exercise of all outstanding Warrants	308,623,245	2.8097	867,132,366
Pursuant to the Proposed Share Split	308,623,245	-	-
After the Proposed Share Split	617,246,490	1.4048	867,132,366
Pursuant to the Proposed Bonus Issue	308,623,245	-	-
After the Proposed Bonus Issue	925,869,735	0.9366	867,132,366

The new Subdivided Shares to be issued represent approximately 1.35% and 1.19% of the Company's enlarged issued and paid-up share capital under both Maximum and Minimum scenario respectively.

4.1 Share capital

The effects of the Proposed Share Split, Proposed Bonus Issue and Proposed DRP on the Company are set out below:

	Maximum scenario			Minimum scenario		
	No. of Shares	Par value RM	RM	No. of Shares	Par value RM	RM
Issued and paid-up capital as at the LPD	264,581,028	0.10	26,458,103	264,581,028	0.10	26,458,103
Pursuant to all of the outstanding Warrants are exercised	44,042,217	0.10	4,404,222	-	-	-
After full exercise of the Warrants	308,623,245	0.10	30,862,325	264,581,028	0.10	26,458,103
To be issued pursuant to the Proposed Share Split	308,623,245	0.10	-	264,581,028	0.10	-
After the Proposed Share Split	617,246,490	0.05	30,862,325	529,162,056	0.05	26,458,103
To be issued pursuant to the Proposed Bonus Issue	308,623,245	0.05	15,431,162	264,581,028	0.05	13,229,051
After the Proposed Bonus Issue	925,869,735	0.05	46,293,487	793,743,084	0.05	39,687,154
To be issued pursuant to the Proposed DRP	8,338,164	0.05	416,908	6,306,221	0.05	315,311
After the Proposed DRP	934,207,899	0.05	46,710,395	800,049,305	0.05	40,002,465
To be issued pursuant to all of the outstanding Warrants (after the Proposed Share Split) are exercised	-	-	-	132,126,651 ⁽¹⁾	0.05	6,606,333
Enlarged share capital	934,207,899	0.05	46,710,395	932,175,956	0.05	46,608,798

Note:

(1) Based on the adjustments made in accordance with the deed poll governing the Warrants dated 11 January 2011 on the 44,042,217 Warrants outstanding as at the LPD.

The Proposed DRP is not expected to have any immediate material effect on the issued and paid-up share capital of the Company until such time when such new Subdivided Shares are issued. However, the issued and paid-up share capital of GDEX will increase progressively pursuant to any exercise by Shareholders of the Reinvestment Option whenever the Reinvestment Option is offered by the Board.

4.2 NA and gearing

4.2.1 Proposed Share Split

The Proposed Share Split will not have any effect on the consolidated NA of the Company except for the corresponding dilution in the consolidated NA per share of GDEX as a result of the increase in the number of issued and paid-up ordinary shares of the Company upon completion of the Proposed Share Split.

The proforma effects of the Proposed Share Split on the audited consolidated balance sheet of the Company as at 30 June 2013, on the assumption that the Proposed Share Split had been completed on that day are set out in Section 4.2.4 of this Circular.

4.2.2 Proposed Bonus Issue

The proforma effects of the Proposed Share Split, Proposed Bonus Issue and Proposed DRP on GDEX consolidated NA and gearing based on the audited consolidated balance sheets as at 30 June 2013 are set out in Section 4.2.4 of this Circular.

4.2.3 Proposed DRP

The effect of the Proposed DRP on the GDEX Group's NA would depend on factors such as the number of new Subdivided Shares issued and the Issue Price of GDEX Shares after taking into account, *inter alia*, the Dividends declared as well as the discount that may be applied to the issuance of new Subdivided Shares.

In the event none of the Shareholders elect to exercise their Reinvestment Option, the amount of Dividends declared would be paid out entirely in cash resulting in a corresponding decrease in the Company's retained earnings. On the other hand, if all the Shareholders elect to exercise their Reinvestment Option, the amount of Dividends declared will be reinvested for new Subdivided Shares at the Issue Price.

The Proposed DRP will not have any immediate effect on the consolidated NA per Subdivided Share and gearing level of the GDEX Group until such time when such Reinvestment Option under the Proposed DRP are exercised. In any event, the NA per Subdivided Share will not be higher than the pre-dividend payout position.

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4.2.4 Proforma NA and gearing

For illustration purposes only, based on the assumptions as stated in **Section 4** of this Circular, the pro forma effects of the Proposed Share Split, Proposed Bonus Issue and Proposed DRP on the NA and gearing of the Company are as follows:

Maximum scenario:

	Audited as at 30 June 2013	Proforma I After the full exercise of the existing Warrants	Proforma II After Proforma I and the Proposed Share Split	Proforma III After Proforma II and the Proposed Bonus Issue	Proforma IV After Proforma III and the Proposed DRP
	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	26,171	30,862	30,862	46,294	46,710
Share premium	2,642	25,396 ⁽¹⁾	25,396	9,964 ⁽⁴⁾	16,492
Translation and revaluation reserves	(13)	(13)	(13)	(13)	(13)
Retained earnings	36,271	35,771 ⁽²⁾	35,771 ⁽²⁾	35,771 ⁽²⁾	28,827 ⁽³⁾
Shareholders' fund/ NA	65,071	92,016	92,016	92,016	92,016
No. of shares ('000)	261,710	308,623	617,246	925,870	934,208
NA per share (RM)	0.25	0.30	0.15	0.10	0.10
Total borrowings (RM'000)	26,421	26,421	26,421	26,421	26,421
Gearing (times)	0.41	0.29	0.29	0.29	0.29

Notes:

- (1) After taking into consideration the exercise of 2,871,045 Warrants from 1 July 2013 to the LPD.
- (2) Including the estimated expenses amounting to RM500,000 arising from the Proposals.
- (3) Calculated based on the Ex-all Price of GDEX Shares of RM0.9366, after deducting the Final Dividend of RM0.01125 per new Subdivided Share and thereafter, applying the maximum allowable discount of 10%.
- (4) After deducting RM15,431,162 for the capitalisation for the Proposed Bonus Issue.

Minimum scenario:

	Audited as at 30 June 2013	Proforma I After the Proposed Share Split	Proforma II After Proforma I and the Proposed Bonus Issue	Proforma III After Proforma II and the Proposed DRP	Proforma IV After Proforma III and the full exercise of Warrants
	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	26,171	26,458 ⁽¹⁾	39,687	40,002	46,609
Share premium	2,642	4,035 ⁽¹⁾	-(⁴)	5,638	24,796
Translation and revaluation reserves	(13)	(13)	(13)	(13)	(13)
Retained earnings	36,271	35,771 ⁽²⁾	26,577 ⁽²⁾⁽⁴⁾	20,624 ⁽³⁾	20,624
Shareholders' fund/ NA	65,071	66,251	66,251	66,251	92,016
No. of Shares ('000)	261,710	529,162	793,743	800,049	932,176
NA per share (RM)	0.25	0.13	0.08	0.08	0.10
Total borrowings (RM'000)	26,421	26,421	26,421	26,421	26,421
Gearing (times)	0.41	0.40	0.40	0.40	0.29

Notes:

- (1) After taking into consideration the exercise of 2,871,045 Warrants from 1 July 2013 to the LPD.
(2) Including the estimated expenses amounting to RM500,000 arising from the Proposals.
(3) Calculated based on the Ex-all Price of GDEX Shares of RM1.0600 after deducting the Final Dividend of RM0.01125 per new Subdivided Share and thereafter, applying the maximum allowable discount of 10%.
(4) After deducting RM13,229,051 for the capitalisation for the Proposed Bonus Issue.

4.3 Earnings and EPS**4.3.1 Proposed Share Split**

The Proposed Share Split will not have any material effect on the consolidated earnings of the Company except for the corresponding dilution in the EPS of GDEX as a result of the increase in the number of shares in GDEX pursuant to the Proposed Share Split.

4.3.2 Proposed Bonus Issue

The Proposed Bonus Issue will not have any material effect on the consolidated earnings of the Company except for the corresponding proportionate dilution in the EPS of GDEX as a result of the increase in the number of shares in GDEX pursuant to the Proposed Bonus Issue.

4.3.3 Proposed DRP

The GDEX Group's consolidated EPS will be diluted and the quantum of such impact cannot be reliably ascertained at this point in time as such effects on the consolidated earnings of the Company are dependent on extent the Shareholders elect to reinvest the Electable Portion in new Subdivided Shares.

However, such reinvested amount will be utilised in the manner set out in **Section 2.3.9** of this Circular and is expected to contribute positively to the future earnings of the GDEX Group.

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4.4

Shareholdings of substantial shareholders

As at the LPD, for illustration purposes only, based on the assumptions as stated in **Section 4** of this Circular, the pro forma effects of the Proposed Share Split, Proposed Bonus Issue and Proposed DRP on the substantial shareholders' shareholding of the Company are as follows:

Maximum scenario:

	As at the LPD				(i) After the full exercise of all existing warrants				(ii) After (i) and the Proposed Share Split			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of GDEX Shares	%	No. of GDEX Shares	%	No. of GDEX Shares	%	No. of GDEX Shares	%	No. of Subdivided Shares	%	No. of Subdivided Shares	%
Substantial shareholders												
Teong Teck Lean	662,500	0.25	109,823,496 ⁽¹⁾	41.51	670,000	0.22	134,423,795 ⁽¹⁾	43.56	1,340,000	0.22	268,847,590 ⁽¹⁾	43.56
GD Express Holdings (M) Sdn Bhd	81,711,496	30.88	-	-	95,561,795	30.96	-	-	191,123,590	30.96	-	-
Singapore Post Limited	71,638,000	27.08	-	-	71,638,000	23.21	-	-	143,276,000	23.21	-	-
GD Holdings International Limited	26,912,000	10.17	-	-	37,662,000	12.20	-	-	75,324,000	12.20	-	-
Singapore Telecommunications Limited	-	-	71,638,000 ⁽²⁾	27.08	-	-	71,638,000 ⁽²⁾	23.21	-	-	143,276,000 ⁽²⁾	23.21
Temasek Holdings (Private) Limited	-	-	71,638,000 ⁽²⁾	27.08	-	-	71,638,000 ⁽²⁾	23.21	-	-	143,276,000 ⁽²⁾	23.21

	(iii) After (i), (ii) and Proposed Bonus Issue				(iv) After (i), (ii), (iii) and the Proposed DRP			
	Direct		Indirect		Direct		Indirect	
	No. of Subdivided Shares	%	No. of Subdivided Shares	%	No. of Subdivided Shares	%	No. of Subdivided Shares	%
Substantial shareholders								
Teong Teck Lean	2,010,000	0.22	403,271,385 ⁽¹⁾	43.56	2,028,102	0.22	406,903,152 ⁽¹⁾	43.56
GD Express Holdings (M) Sdn Bhd	286,685,385	30.96	-	-	289,267,206	30.96	-	-
Singapore Post Limited	214,914,000	23.21	-	-	216,849,465	23.21	-	-
GD Holdings International Limited	112,986,000	12.20	-	-	114,003,525	12.20	-	-
Singapore Telecommunications Limited	-	-	214,914,000 ⁽²⁾	23.21	-	-	216,849,465 ⁽²⁾	23.21
Temasek Holdings (Private) Limited	-	-	214,914,000 ⁽²⁾	23.21	-	-	216,849,465 ⁽²⁾	23.21

Notes:

- (1) Deemed interested by virtue of his interest in GD Express Holdings (M) Sdn Bhd, GD Holdings International Limited and GDEX Foundation pursuant to Section 6A(4) of the Act.
(2) Deemed interested by virtue of its interest in Singapore Post Limited.

Minimum scenario:

	As at the LPD				(I) After the Proposed Share Split				(II) After (I) and the Proposed Bonus Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of GDEX Shares	%	No. of GDEX Shares	%	No. of Subdivided Shares	%	No. of Subdivided Shares	%	No. of Subdivided Shares	%	No. of Subdivided Shares	%
Substantial shareholders												
Teong Teck Lean	662,500	0.25	109,823,496 ⁽¹⁾	41.51	1,325,000	0.25	219,646,992 ⁽¹⁾	41.51	1,987,500	0.25	329,470,488 ⁽¹⁾	41.51
GD Express Holdings (M) Sdn Bhd	81,711,496	30.88	-	-	163,422,992	30.88	-	-	245,134,488	30.88	-	-
Singapore Post Limited	71,638,000	27.08	-	-	143,276,000	27.08	-	-	214,914,000	27.08	-	-
GD Holdings International Limited	26,912,000	10.17	-	-	53,824,000	10.17	-	-	80,736,000	10.17	-	-
Singapore Telecommunications Limited	-	-	71,638,000 ⁽²⁾	27.08	-	-	143,276,000 ⁽²⁾	27.08	-	-	214,914,000 ⁽²⁾	27.08
Temasek Holdings (Private) Limited	-	-	71,638,000 ⁽²⁾	27.08	-	-	143,276,000 ⁽²⁾	27.08	-	-	214,914,000 ⁽²⁾	27.08

	(III) After (I), (II) and Proposed DRP				(IV) After (I), (II), (III) and full exercise of Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Subdivided Shares	%	No. of Subdivided Shares	%	No. of Subdivided Shares	%	No. of Subdivided Shares	%
Substantial shareholders								
Teong Teck Lean	2,003,291	0.25	332,088,103 ⁽¹⁾	41.51	2,025,791	0.22	405,889,000 ⁽¹⁾	43.54
GD Express Holdings (M) Sdn Bhd	247,082,061	30.88	-	-	288,632,958	30.96	-	-
Singapore Post Limited	216,621,473	27.08	-	-	216,621,473	23.24	-	-
GD Holdings International Limited	81,377,441	10.17	-	-	113,627,441	12.19	-	-
Singapore Telecommunications Limited	-	-	216,621,473 ⁽²⁾	27.08	-	-	216,621,473 ⁽²⁾	23.24
Temasek Holdings (Private) Limited	-	-	216,621,473 ⁽²⁾	27.08	-	-	216,621,473 ⁽²⁾	23.24

Notes:

- (1) Deemed interested by virtue of his interest in GD Express Holdings (M) Sdn Bhd, GD Holdings International Limited and GDEX Foundation pursuant to Section 6A(4) of the Act.
(2) Deemed interested by virtue of its interest in Singapore Post Limited.

However, the Proposed DRP is not expected to have any immediate effect on the substantial shareholders' shareholdings until such time as and when the Reinvestment Option pursuant to the Proposed DRP is exercised. Any potential effect on the substantial shareholder's shareholdings in the future would depend on the number of new Subdivided Shares issued at the relevant point in time. The Company's substantial Shareholder's shareholding will not be affected if all Shareholders elect to reinvest their respective Electable Portion. However, the shareholding percentage of the Company's substantial Shareholders who elect to reinvest will increase correspondingly in the event some or all of the other Shareholders do not elect to reinvest their Electable Portion.

4.5 Existing convertible securities

As at the LPD, the Company has 44,042,217 outstanding Warrants. Based on the clause pertaining to the adjustments of exercise price and number of Warrants as set out in the deed poll governing the Warrants dated 11 January 2011, adjustments are required to be made pursuant to the Proposed Share Split and Proposed Bonus Issue to the respective existing exercise price of the Warrants and the number of outstanding Warrants which remained unexercised. In addition, any adjustment required will only be determined on the Entitlement Date and will be effective from the commencement of the following Market Day.

An application will be made for the listing of and quotation for the additional Warrants and new Subdivided Shares to be issued pursuant to the exercise of the additional Warrants on the Main Market of Bursa Securities.

The Subdivided Shares to be issued pursuant to the exercise of the additional Warrants ("**Exercised Shares**") shall, upon allotment and issuance, rank *pari passu* in all respects with the existing GDEX Shares upon listing, save and except that they shall not be entitled to any dividend, rights, allotment and/ or other distributions, the entitlement date of which is prior to the date of allotment of the Exercised Shares.

A notice to the holders of existing Warrants explaining the mechanism of any adjustments to the existing Warrants will be issued by GDEX within twenty-one (21) days after the finalisation of the necessary adjustment on the Entitlement Date.

5. INTER-CONDITIONALITY

The Proposed Bonus Issue is conditional upon Proposed Share Split and the Proposed Amendments but the Proposed Share Split and Proposed Amendments are not conditional upon the Proposed Bonus Issue. The Proposed DRP is not conditional upon the Proposed Share Split, Proposed Bonus Issue and Proposed Amendments and vice versa.

The Proposed Share Split and the Proposed Amendments are inter-conditional upon each other.

For avoidance of doubt, the Proposed DRP will be implemented in the event that the Proposed Share Split is not carried out.

The Proposals are not conditional upon any other corporate exercise undertaken by GDEX.

6. APPROVALS REQUIRED

6.1 The Proposals

The Proposals are subject to the following approvals being obtained:

- (a) Bursa Securities for the following:
 - (i) approval of the Proposed Share Split;
listing of and quotation for the new Subdivided Shares to be issued pursuant to the Proposed Bonus Issue and such number of new Subdivided Shares to be issued and allotted pursuant to the Proposed DRP;
 - (iii) listing of and quotation for the additional Warrants to be issued pursuant to the adjustments as set out in the deed poll governing the Warrants dated 11 January 2011 as a result of the Proposed Share Split and Proposed Bonus Issue; and
 - (iv) listing of and quotation for the Exercised Shares to be issued pursuant to the exercise of the additional Warrants;
- (b) shareholders of GDEX at the forthcoming AGM to be convened for the Proposals; and
- (c) any other relevant authorities (if required).

For the avoidance of doubt, Shareholders' approval for future issuances of new Subdivided Shares pursuant to the Proposed DRP will be sought at the Company's AGM on an annual basis.

No suspension of trading is required for the Proposals.

6.2 First implementation of the Proposed DRP

For your information purposes only, Gdex will proceed to implement the Proposed DRP upon obtaining shareholders' approval for the Proposed DRP at the forthcoming EGM and the Board's approval for the Proposed DRP to be applied to the Final Dividend ("First DRP"). Gdex has obtained Bursa Securities approval for the listing of and quotation for up to 10,000,000 Subdivided Shares on the Main Market of Bursa Securities vide its letter dated 8 November 2013, subject to the following conditions:

	<u>Conditions imposed</u>	<u>Status of compliance</u>
(i)	Gdex or RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed DRP	Noted.
(ii)	Gdex and RHB Investment Bank to inform Bursa Securities upon completion of the Proposed DRP	To be complied.
(iii)	Gdex to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed DRP is completed	To be complied.
(iv)	Gdex to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at the EGM for the Proposed DRP	To be complied

Subject to the above, there are no other approvals required for the First DRP.

6.3 Implementations of the Proposed DRP for subsequent Dividends

The implementation of the Proposed DRP for subsequent Dividends is subject and conditional upon approvals being obtained from the following:

- (a) Bursa Securities for the listing and quotation for the new Subdivided Shares to be issued pursuant to the implementation of the Proposed DRP for **each** subsequent Dividend on the Main Market of Bursa Securities;
- (b) the Shareholders of our Company for future issuance of such new Subdivided Shares at the AGM of our Company on an annual basis. This will apply to the implementation of the Proposed DRP for all Dividends declared from the AGM where such approval is obtained until the convening of the following AGM; and
- (c) approval from other relevant authorities, if required.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders of GDEX and/or persons connected to them has any interest, direct and/or indirect in the Proposals beyond their respective entitlements, if any, as the shareholders of GDEX under the Proposals, the rights of which are also available to all existing shareholders of the Company as at the Entitlement Date.

8. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposals including the rationale and effects of the Proposals as set out in Section 3 and Section 4 of this Circular, is of the opinion that the Proposals are in the best interest of GDEX and the shareholders of GDEX. The Board recommends that the shareholders vote in favour of the ordinary resolutions pertaining to the Proposals to be tabled at the forthcoming AGM.

9. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to the receipt of approvals stated in **Section 7** above, the Proposed Share Split, Proposed Bonus Issue and first implementation of the Proposed DRP is expected to be completed by the first quarter of 2014 and the indicative timeline is as set out below:

Event	Indicative Timeline
Approval from Bursa Securities	End of October 2013
Our forthcoming AGM	Early December 2013
Announcement of Books Closure Date pursuant to the Proposed Share Split	Early December 2013
Books Closure Date pursuant to the Proposed Share Split	Mid December 2013
Listing of Subdivided Shares pursuant to the Proposed Share Split	Mid December 2013
Announcement of Issue Price and Books Closure Date pursuant to the Proposed DRP	Mid December 2013
Announcement of Books Closure Date pursuant to the Proposed Bonus Issue	Mid December 2013
Books Closure Date pursuant to the Proposed DRP	Early January 2014
Books Closure Date pursuant to the Proposed Bonus Issue	Early January 2014
Despatch of Notice of Election	Early January 2014
Listing of Bonus Shares	Early January 2014
Expiry Date	Late January 2014
Transfer of Dividend to the Dividend Payment Account	Early February 2014
Payment of net Dividends and issuance and allotment of new Subdivided Shares	Early February 2014
Listing of new Subdivided Shares	Early February 2014

The indicative timeline for the implementation of the Proposed DRP for any **subsequent** Dividend declared and in respect of which the Board determines that the Reinvestment Option applies is as set out below:

Event	Indicative Timeline
Declaration of final dividend to which the Proposed DRP applies ⁽¹⁾⁽²⁾	T – 40 calendar days
Issuance of annual report	T – 37 calendar days
AGM ⁽¹⁾ , or Declaration of interim dividend to which the Proposed DRP applies ⁽²⁾	T – 16 calendar days
Submission of listing application to Bursa Securities for its approval	T – 14 calendar days
Announcement of Issue Price and Books Closure Date ⁽³⁾	T
Books Closure Date ⁽³⁾	T + 10 Market Days
Despatch Notice of Election to Shareholders ⁽³⁾	T + 12 Market Days
Expiry Date ⁽³⁾	T + 21 Market Days
Transfer of Dividend to the Dividend Payment Account ⁽³⁾	T + 27 Market Days
Payment of net Dividends and issuance and allotment of new Subdivided Shares ⁽³⁾	T + 29 Market Days
Listing of new Subdivided Shares ⁽³⁾	T + 30 ⁽⁴⁾ Market Days

Notes:

- (1) *Relates to the declaration of final dividend where Shareholders' approval for the final dividend and fresh Shareholders' approval for the issue of new Subdivided Shares is required.*
- (2) *As Shareholders' approval in respect of the interim Dividend is not required, the indicative timeline for the Board to declare such interim Dividend (to which the Proposed DRP applies) may fall on T-16 calendar days.*
- (3) *Common processes which apply to declaration of both interim and final Dividend to which the Proposed DRP applies.*
- (4) *Next Market Day after issuance and allotment of new Subdivided Shares to Shareholders.*

10. OUTSTANDING CORPORATE EXERCISE

As at the LPD, the Company does not have any other corporate proposals which have been announced but pending completion.

11. AGM

The AGM, the extract of the notice of which is set out in this Circular, will be held at Dewan Berjaya, Bukit Kiara Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 3 December 2013, at 11.00 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at the AGM, please complete, sign and return the enclosed Form of Proxy for the AGM to Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan so as to arrive not later than forty-eight (48) hours before the time fixed for holding the AGM. The Form of Proxy should be completed strictly in accordance with the instruction contained therein. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

12. FURTHER INFORMATION

Shareholders are advised to refer to the Appendices set out in this Circular for further information.

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

TEONG TECK LEAN
Managing Director/ Group Chief Executive Officer

APPENDIX I

GDEX SHARE PRICE PERFORMANCE

SHARE PRICE PERFORMANCE

The monthly highest and lowest prices of the Shares traded on Bursa Securities for the past twelve (12) months up to September 2013 are as follows:

	High RM	Low RM
2012		
October	1.50	1.38
November	1.70	1.42
December	1.68	1.55
2013		
January	1.64	1.56
February	1.65	1.50
March	1.63	1.60
April	1.69	1.58
May	1.85	1.58
June	2.00	1.71
July	2.95	2.10
August	3.08	2.34
September	3.17	2.40

(Source: Bloomberg)

The last transacted price on Bursa Securities on 30 August 2013, being the last Market Day prior to the announcement of the Proposals on 2 September 2013, was RM2.45 per Share.

The last transacted price on Bursa Securities on 11 October 2013, being the LPD prior to the printing of this Circular, was RM3.18.

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APPENDIX II

**REPORTING ACCOUNTANTS' LETTER ON THE ADEQUACY OF
THE COMPANY'S RESERVES IN RELATION TO THE PROPOSED
BONUS ISSUE**

REPORTING ACCOUNTANTS' LETTERS ON THE ADEQUACY OF THE COMPANY'S RESERVES IN RELATION TO THE PROPOSED BONUS ISSUE

Deloitte.

Deloitte KassimChan (AF 0080)
Chartered Accountants
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myaaa@deloitte.com
www.deloitte.com/my

31 October 2013

The Board of Directors
GD Express Carrier Berhad
No 19, Jalan Tandang
46050 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

**GD EXPRESS CARRIER BERHAD (“GDEX” OR “COMPANY”)
REPORT ON THE ADEQUACY OF RESERVES IN RELATION TO THE PROPOSED
BONUS ISSUE (AS DEFINED HEREIN)**

GDEX is proposing to implement the following:

- (i) Proposed subdivision of every one (1) existing ordinary share of RM0.10 each in GDEX (“GDEX Shares”) into two (2) ordinary shares of RM0.05 each in GDEX (“Subdivided Shares”) (“Proposed Share Split”);
- (ii) Proposed issuance of one (1) new ordinary share of RM0.05 each in GDEX (“Bonus Share”) for every two (2) Subdivided Shares held by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business (“Entitled Shareholders”) on an entitlement date to be determined later (“Proposed Bonus Issue”); and
- (iii) Proposed establishment of a dividend reinvestment plan that provides the shareholders of GDEX the option to elect to reinvest their cash dividend in new ordinary shares of RM0.05 each in GDEX (“Proposed DRP”); and
- (iv) Proposed Amendments to the Memorandum and Articles of Association of GDEX to facilitate and allow the implementation of the Proposed Share Split (“Proposed Amendments”).

(Collectively referred to as the “Proposals”)

We report on the adequacy of Reserves of the Company as at 30 June 2013 as shown in the Annexure, stamped for the purpose of identification only, in connection with the above Proposed Bonus Issue, pursuant to paragraph 6.30(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”) (“Listing Requirements”), which have been prepared for inclusion in the Company’s Circular to Shareholders to be dated 11 November 2013.

REPORTING ACCOUNTANTS' LETTERS ON THE ADEQUACY OF THE COMPANY'S RESERVES IN RELATION TO THE PROPOSED BONUS ISSUE (CONT'D)

31 October 2013
GD Express Carrier Berhad
Page No 2

Responsibilities

It is the sole responsibility of the Directors of GDEX to ensure that the Reserves of the Company as at 30 June 2013 are properly stated and are adequate to cover the capitalisation of the Proposed Bonus Issue.

It is our responsibility to form an opinion on the adequacy of the Reserves of the Company as at 30 June 2013 to cover the capitalisation of the Proposed Bonus Issue in accordance with paragraph 6.30(3) of the Listing Requirements.

In providing this opinion, we are not updating or refreshing any reports or opinions previously made by us on any financial information used in assessing the adequacy of Reserves of the Company nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue. We have also not performed any audit or review on any management accounts of the Company subsequent to the end of the financial year ended 30 June 2013 which may incorporate any adjustments to the Reserves of the Company as at 30 June 2013.

Basis of opinion

We conducted our work in accordance with the approved standard for assurance engagements in Malaysia, ISAE 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". Our work, which involved no independent examination of any of the underlying financial information, consisted of:

- (i) agreeing the Reserves of the Company as at 30 June 2013 to the audited financial statements of the Company for the financial year ended 30 June 2013;
- (ii) considering the evidences supporting any adjustments to the Reserves of the Company as at 30 June 2013; and
- (iii) assessing the adequacy of the Reserves of the Company as at 30 June 2013, after incorporating any adjustments to the Reserves of the Company as at 30 June 2013, available to cover the capitalisation of the Proposed Bonus Issue.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Reserves of the Company as at 30 June 2013, after incorporating any adjustments to the Reserves of the Company as at 30 June 2013, is adequate to cover the capitalisation of the Proposed Bonus Issue.

REPORTING ACCOUNTANTS' LETTERS ON THE ADEQUACY OF THE COMPANY'S RESERVES IN RELATION TO THE PROPOSED BONUS ISSUE (CONT'D)

31 October 2013
GD Express Carrier Berhad
Page No 3

Our opinion

In our opinion, after taking into consideration of the adjustments to the Reserves of the Company as at 30 June 2013, the Reserves of the Company as at 30 June 2013 are adequate to cover the capitalisation of the Proposed Bonus Issue.

Other matters

This report is issued for the sole purpose for inclusion in the Circular in connection with the abovementioned Proposals. As such, this report should not be used or referred to, in whole or in part, for any other purposes.

Yours very truly,



Enclosure

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REPORTING ACCOUNTANTS' LETTERS ON THE ADEQUACY OF THE COMPANY'S RESERVES IN RELATION TO THE PROPOSED BONUS ISSUE (CONT'D)

Annexure

The following adjustments on pro forma movements of reserves of the Company have been prepared by the management solely for illustrative purpose only, to reflect the effects of the Proposed Bonus Issue by way of capitalisation of the reserves of the Company based on the audited financial statements as at 30 June 2013.

Company Level	Maximum Scenario		Minimum Scenario		Total
	Share Premium (RM'000)	Retained Earning (RM'000)	Share Premium (RM'000)	Retained Earning (RM'000)	
Audited as at financial year ended 30 June 2013	2,642	8,874	2,642	8,874	11,516
Adjustments					
Dividend from Subsidiary	-	11,072 ⁽¹⁾	-	11,072 ⁽¹⁾	11,072
Share premium arising from actual exercise of Warrants up to LPD	1,392 ⁽²⁾	-	1,392 ⁽²⁾	-	1,392
Share premium arising from exercise of Outstanding Warrants	21,361 ⁽³⁾	-	-	-	-
Dividend proposed to Shareholders by GDEX on 27 August 2013	-	(6,944) ⁽⁴⁾	-	(5,953) ⁽⁷⁾	(5,953)
Estimated expenses	-	(500)	-	(500)	(500)
Capitalisation for the Proposed Bonus Issue	25,395	12,502	4,034	13,493	17,527
	(15,431) ⁽⁵⁾	-	(4,034) ⁽⁸⁾	(9,195) ⁽⁸⁾	(13,229)
After the Proposed Bonus Issue	9,964	12,502	-	4,298	4,298

Stampd for the purpose of identification only with our letter/report dated
31 OCT 2013
 Deloitte KassimChan
 Kuala Lumpur/Petaling Jaya

REPORTING ACCOUNTANTS' LETTERS ON THE ADEQUACY OF THE COMPANY'S RESERVES IN RELATION TO THE PROPOSED BONUS ISSUE (CONT'D)

Notes:

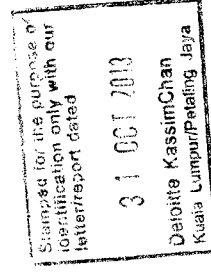
- (1) Dividend to GDEX from GD Express Sdn. Bhd. was declared on 26 August 2013 and payments were made between 9 September 2013 and 26 September 2013.
- (2) 2,871,045 Warrants are exercised between 30 June 2013 and the Last Practicable Date of 11 October 2013 ("LPD") at the exercise price of RM0.585 for 2,871,045 units of Ordinary Shares of RM0.10 each in GDEX.

Maximum Scenario

- (3) Assuming all 44,042,217 units of outstanding Warrants as of LPD are exercised at the exercise price of RM0.585 for 44,042,217 units of Ordinary Shares of RM0.10 each in GDEX.
- (4) Assuming 617,246,490 units of Ordinary shares of RM0.05 each in GDEX are entitled to the proposed 22.5% single tier dividend in respect of the financial year ended 30 June 2013 as mentioned in the audited financial statements of GDEX for the said financial year.
- (5) Assuming 308,623,245 units of Bonus Shares are issued based on 617,246,490 units of Ordinary Shares of RM0.05 each in GDEX subsequent to the effect of the Proposed Share Split.

Minimum Scenario

- (6) Assuming none of the outstanding Warrants totalling 44,042,217 units as at LPD are exercised.
- (7) Assuming all 529,162,056 units of Ordinary shares of RM0.05 each in GDEX are entitled to the proposed 22.5% single tier dividend in respect of the financial year ended 30 June 2013 as mentioned in the audited financial statements of GDEX for the said financial year.
- (8) Assuming 264,581,028 units of Bonus Shares are issued based on 529,162,056 units of Ordinary shares of RM0.05 each in GDEX subsequent to the effect of the Proposed Share Split.



APPENDIX III (A)

DIVIDEND REINVESTMENT PLAN STATEMENT

DIVIDEND REINVESTMENT PLAN STATEMENT

Dividend Reinvestment Plan Statement

(Abbreviations and definitions, unless where the context requires otherwise, shall be as set out in Section 2 of the Terms and Conditions (as defined below) governing this Dividend Reinvestment Plan Statement)

This Dividend Reinvestment Plan Statement contains the terms and conditions of the proposal by GD Express Carrier Berhad (“**GDEX**” or “**Company**”) (“**Terms and Conditions**”) under which persons registered in the Record of Depositors of the Company, as the holders of GDEX Shares (“**Shareholders**”) may, in relation to any dividend(s) as declared by the Company (either an interim, final, special or any other dividend) (“**Dividend**”), be given an option to reinvest the entire Electable Portion or part thereof in New Shares (“**Reinvestment Option**”) as the Board of Directors of the Company (“**Board**”) may, at its absolute discretion, make available (“**Dividend Reinvestment Plan**”).

Irrespective of whether an election is made by Shareholders to exercise the Reinvestment Option, a tax voucher will be despatched to all Shareholders and for income tax purposes, Shareholders will be regarded as having received a cash distribution equivalent to the amount of the Dividend declared. Hence, the election for the Reinvestment Option does not relieve the Shareholder of any income tax obligation (if applicable) and there is no tax advantage to be gained in exercising the Reinvestment Option or otherwise.

Unless the Board has determined that the Dividend Reinvestment Plan will apply to a particular Dividend (or a part thereof), all Dividends as may be declared by GDEX will be paid wholly in cash to the Shareholders in the usual manner through a Dividend Payment Account.

The New Shares will be issued free from any brokerage or fees to Shareholders who elect to participate in the Dividend Reinvestment Plan (“**Participating Shareholders**”) unless otherwise provided by any statute, law or regulation.

SUMMARY OF THE MAIN FEATURES OF THE DIVIDEND REINVESTMENT PLAN

The Board may, in its absolute discretion, declare a Dividend and determine whether to offer the Reinvestment Option to the Shareholders and where the Electable Portion is not reinvested by the Shareholders in whole, any remaining portion of the Dividend (“**Balance Electable Portion**”) and the portion of the Dividend to which the Reinvestment Option does not apply (as determined by the Board) (“**Non-Electable Portion**”) will be paid in cash.

In respect of the Electable Portion, each Shareholder has the following options:

(i) Option 1

- (a) elect to participate and thereby reinvest the entire Electable Portion or part thereof at the Issue Price; and
- (b) receive the Cash Portion, if applicable, in cash.

(ii) Option 2

Elect not to participate in the Reinvestment Option and thereby receive the entire Dividend wholly in cash.

The Issue Price shall be at the higher of:

- (a) an issue price of not more than ten percent (10%) discount to the adjusted WAMP of GDEX Shares for the five (5) Market Days (“**WAMP**”) prior to the price fixing date to be determined. For avoidance of doubt, the WAMP shall be adjusted for Dividends before applying the aforementioned discount in fixing the Issue Price; or

DIVIDEND REINVESTMENT PLAN STATEMENT (CONT'D)

(b) the par value of GDEX Shares at the material time.

The Issue Price shall be announced on or before GDEX announces its intention to fix the Books Closure Date.

Subsequently, a Notice of Election will be dispatched to the Shareholders. Instructions will be provided in the Notice of Election in respect of the action to be taken by the Shareholders to exercise the Reinvestment Option. The Expiry Date will be stated in the Notice of Election.

An announcement will also be made in respect of the listing of and quotation for the New Shares to be issued pursuant to the exercise by the Shareholders of the Reinvestment Option on the Main Market of Bursa Securities.

Under the Dividend Reinvestment Plan, Shareholders who elect to exercise the Reinvestment Option shall not be allotted fractional shares. As such, the amount of Dividend relating to such fractional shares will be paid in cash to the Shareholders in the usual manner.

Shareholders will receive the Electable Portion in cash if they do not expressly in writing elect to participate in the Dividend Reinvestment Plan according to its Terms and Conditions. As such, Shareholders need not take any action with regards to the Notice of Election if they wish to receive their Electable Portion or whole Dividend in cash.

HOW TO PARTICIPATE

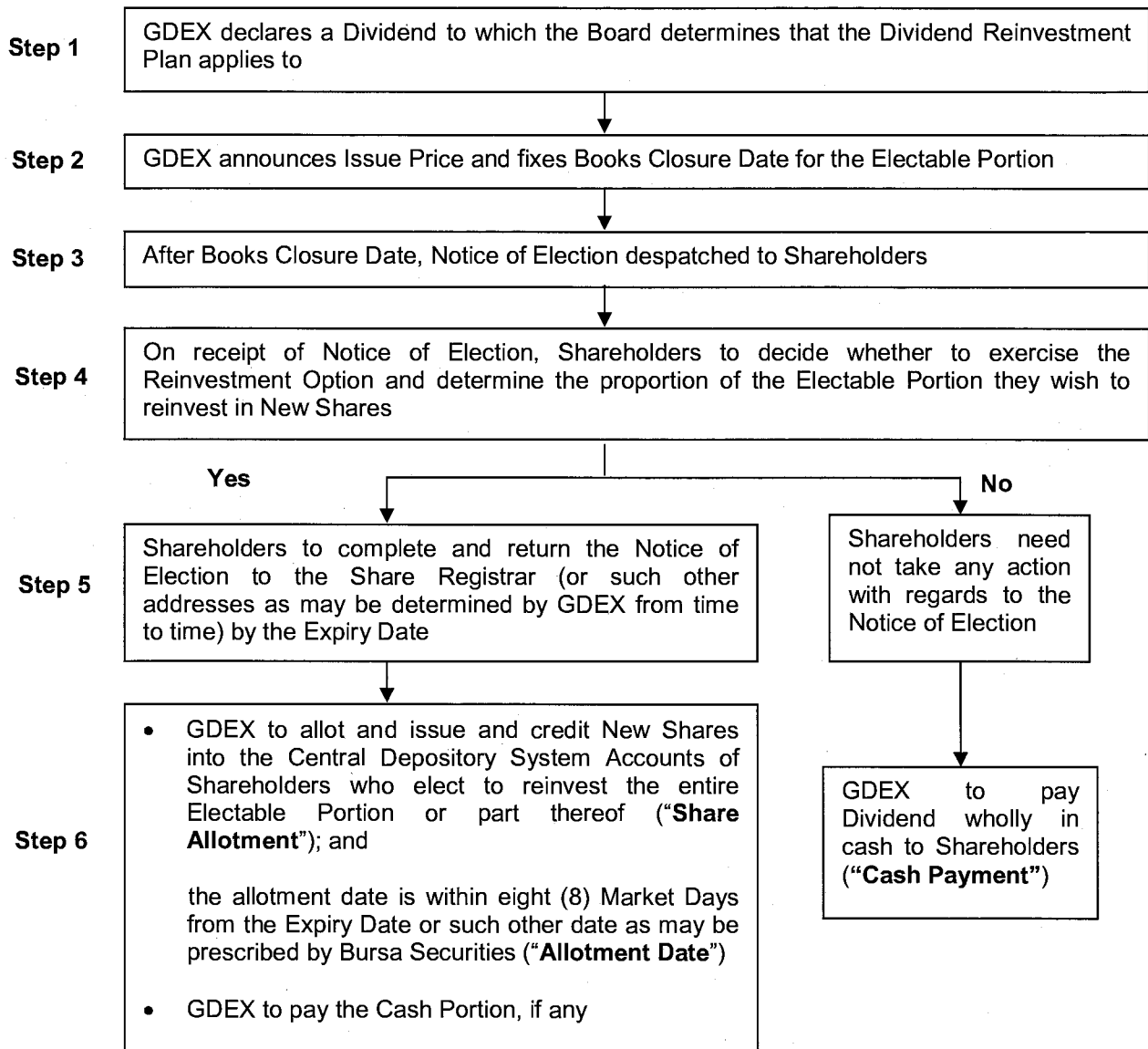
Participation in the Dividend Reinvestment Plan is optional and not transferable. A Shareholder wishing to reinvest in New Shares in respect of any Electable Portion must complete the Notice of Election and return it to the share registrar of GDEX, Boardroom Corporate Services (KL) Sdn Bhd at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan ("**Share Registrar**") in accordance with the instructions as prescribed therein.

A Shareholder receiving more than one (1) Notice of Election and wishing to reinvest in New Shares in respect of all of his entitlement to the Electable Portion must complete all Notices of Election received by him and return the completed Notices of Election to the Share Registrar. Shareholders should note that they are at liberty to decide which particular Notice of Election they wish to elect for the reinvestment in New Shares. Where any particular Notice of Election is not elected upon, the Dividend relating thereto will be received in cash by the Shareholders in the usual manner.

To be effective in respect of any exercise of the Reinvestment Option to which a Notice of Election relates, such duly completed and signed Notice of Election must be received by the Share Registrar no later than the Expiry Date stated in the Notice of Election in respect of that particular Reinvestment Option.

DIVIDEND REINVESTMENT PLAN STATEMENT (CONT'D)

The process flow chart in relation to how the Dividend Reinvestment Plan is to be administered is shown below.

Note:-

In respect of Step 6, the Share Allotment and payment of Cash Portion or the Cash Payment (where applicable) will occur on the same day, which will be within one (1) month from the Books Closure Date and in any event, within three (3) months from the date of the declaration of the Dividend or the date on which the approval is obtained in the annual general meeting of GDEX, whichever is applicable

APPENDIX III (B)

**DIVIDEND REINVESTMENT PLAN STATEMENT – TERMS AND
CONDITIONS**

DIVIDEND REINVESTMENT PLAN STATEMENT – TERMS AND CONDITIONS

1. ESTABLISHMENT

The Dividend Reinvestment Plan has been established by the Board.

2. DEFINITIONS

In these Terms and Conditions, the following definitions shall apply:

“GDEX Share(s)”	:	Ordinary share(s) of RM0.05 each in GDEX
“Books Closure Date”	:	Books closure date in relation to a Dividend for which the Board determines that the Dividend Reinvestment Plan applies to
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W)
“Cash Portion”	:	The remaining portion of the Dividend after the deduction of the Electable Portion (where the Electable Portion is not for the entire amount of the Dividend) and any remaining part of the Electable Portion not reinvested which will be paid in cash
“Code”	:	Malaysian Code on Take-overs and Mergers, 2010 as amended from time to time
“Dividend Payment Account”	:	The non-interest bearing account opened with [●] to facilitate the payment of Dividends
“Issue Price”	:	The issue price of the New Shares to be issued pursuant to the Dividend Reinvestment Plan
“Electable Portion”	:	The whole or a portion of such Dividend (after the deduction of the applicable income tax), as the Board may at its absolute discretion determine, for which the Reinvestment Option applies
“Expiry Date”	:	The last day (which will be a date to be fixed and announced by the Board and shall not be less than fourteen (14) days from the date of despatch of the Notice of Election) by which the duly completed Notice of Election must be received by the Share Registrar
“Foreign Addressed Shareholders”	:	Shareholders whose registered address in the Company’s Record of Depositors is not in Malaysia
“Market Day(s)”	:	Any day between Monday and Friday (both inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities
“New Shares”	:	New GDEX Shares to be issued pursuant to the Dividend Reinvestment Plan
“Notice of Election”	:	Notice of election by which Shareholders confirm their exercise of the Reinvestment Option

DIVIDEND REINVESTMENT PLAN STATEMENT – TERMS AND CONDITIONS (CONT'D)

“Price Fixing Date”	:	A date to be determined by the Board on which the Issue Price will be determined
“RM ”	:	Ringgit Malaysia
“WAMP”	:	The volume weighted average market price

3. ELIGIBILITY

All Shareholders are eligible to participate in the Dividend Reinvestment Plan, subject to:

- i) restriction to Shareholders with registered addresses outside Malaysia as at the relevant Books Closure Date so as to avoid any violation on the part of GDEX of the securities laws applicable outside Malaysia; and
- ii) the requirement that such participation by the Shareholders will not result in a breach of any other restriction on such Shareholder's holding of GDEX Shares which may be imposed by statute, law or regulation in force in Malaysia or any other relevant jurisdiction.

There are no restrictions prescribed in the Memorandum and Articles of Association of GDEX for the Company to implement and for the Shareholders to participate in the Dividend Reinvestment Plan.

4. SHAREHOLDERS WITH ADDRESSES OUTSIDE MALAYSIA

To avoid any violation on the part of the Company of any securities laws applicable outside of Malaysia, the Notice of Election and any other documents relating to the Dividend Reinvestment Plan will not be sent to Foreign Addressed Shareholders. Foreign Addressed Shareholders shall have no claim whatsoever against the Company as a result of such documents not being despatched to them. Foreign Addressed Shareholders who received or come to have in their possession a Notice of Election may not treat it as being applicable to them (except where the Notice of Election is collected from the Share Registrar as provided below) and are, in any event, advised to inform themselves of, and to observe, any prohibitions and restrictions and to comply with any applicable laws and regulations relating to the Dividend Reinvestment Plan as may be applicable.

Foreign Addressed Shareholders may collect the documents relating to the Dividend Reinvestment Plan from the Share Registrar at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan or at such address in Malaysia as may be announced by the Company from time to time and the Share Registrar may in such an event be entitled to satisfy itself as to the identity and authority of the person collecting the documents relating to the Dividend Reinvestment Plan; or alternatively, provide the Share Registrar with their respective address in Malaysia not later than the relevant Books Closure Date in respect of any particular Dividend to which the Board has determined that the Dividend Reinvestment Plan shall apply.

Foreign Addressed Shareholders who wish to permanently change their address for service of documents to an address in Malaysia should inform their respective stockbrokers to effect the change of address. Such notification should be done prior to the Books Closure Date if you wish to participate in the Dividend Reinvestment Plan.

Foreign Addressed Shareholders will be solely responsible for seeking advice as to the laws of any jurisdiction that they may be subjected to, and participation by Foreign Addressed Shareholders in the Dividend Reinvestment Plan will be on the basis that they may lawfully so participate without the Company, its Directors and employees and its advisers and the employees of the advisers being in breach of the laws of any jurisdiction.

DIVIDEND REINVESTMENT PLAN STATEMENT – TERMS AND CONDITIONS (CONT'D)

5. LEVEL OF PARTICIPATION

Participating Shareholders may elect to participate in the Dividend Reinvestment Plan to the extent of the Electable Portion as determined by the Board at its absolute discretion. A Shareholder's right to participation will be based on his holding of GDEX Shares as at each Books Closure Date to which each Notice of Election received by him relates ("**Participating Shares**").

6. NOTICE OF ELECTION TO PARTICIPATE

Subsequent to the Books Closure Date, a Notice of Election will be despatched to Shareholders. The Notice of Election will contain the instructions with respect to the action that is required to be taken by Shareholders should they wish to exercise the Reinvestment Option and will also state the Expiry Date. The Notice of Election and any other documents relating to the Dividend Reinvestment Plan will not be sent to Foreign Addressed Shareholders.

The Company will, at its discretion, send to each Shareholder one (1) or more Notices of Election in relation to each Central Depository System account held by the Shareholder. To be effective in respect of any exercise of the Reinvestment Option, a duly completed Notice of Election must be received by the Share Registrar, no later than the Expiry Date. A Shareholder receiving two (2) or more Notices of Election may elect to reinvest in New Shares in respect of his entitlement to which one (1) Notice of Election relates and decline to reinvest in New Shares in respect of his entitlement to which any other Notice(s) of Election relates. A Shareholder receiving two (2) or more Notices of Election and wishing to reinvest in New Shares in respect of all of his entitlement to the Electable Portion in respect of all his holding of GDEX Shares must duly complete all the Notices of Election received by him and return the completed Notices of Election to the office of the Share Registrar, no later than the Expiry Date specified in the Notice of Election. A Notice of Election to participate in the Dividend Reinvestment Plan in any other form will not be accepted by the Company.

A Notice of Election in respect of any Electable Portion shall not, upon its receipt by the Company be withdrawn or cancelled.

The Company has the discretion and right to accept or reject any Notice of Election that is incomplete, contains errors or is otherwise defective. The Company is under no obligation to correct invalid Notices of Election on behalf of any Shareholder or to provide any reason for rejecting any Notice of Election.

By electing to participate in the Dividend Reinvestment Plan, the Participating Shareholder unconditionally:

- (a) warrants to the Company that it has the legal right and full power and authority to participate in the Dividend Reinvestment Plan and that its participation in the Dividend Reinvestment Plan will not result in a breach of any law or regulation or contractual obligation by which it is bound;
- (b) acknowledges that the Company may at any time determine whether the Participating Shareholder's Notice of Election or other form (collectively, "**Form**") is valid, even if the relevant Form is incomplete, contains errors or is otherwise defective;
- (c) acknowledges that the Company may accept or reject any Form and agrees that the Company need not provide any reason therefore;
- (d) acknowledges that the Company has not provided the Participating Shareholder with investment advice or any other advice;

DIVIDEND REINVESTMENT PLAN STATEMENT – TERMS AND CONDITIONS (CONT'D)

- (e) agrees to these Terms and Conditions and agrees not to do any act or thing which would be contrary to the intention or purpose of the Dividend Reinvestment Plan;
- (f) submits to the jurisdiction of the Malaysia Courts, in each case, at all times until termination of the Dividend Reinvestment Plan; and
- (g) agrees that notwithstanding any other provisions, Terms and Conditions of the Dividend Reinvestment Plan set out herein or otherwise and irrespective of whether an election to exercise the Reinvestment Option has been made, if at any time after the Board has determined that the Dividend Reinvestment Plan shall apply to any Dividend and before the allotment and issuance of the New Shares in respect of any Electable Portion reinvested, where the Board considers that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Dividend Reinvestment Plan in respect of the Electable Portion and regardless whether the Reinvestment Option is exercised by the Shareholders, the Board may, at their absolute discretion and as they deem fit in the interest of the Company and without assigning any reason thereof, cancel the application of the Dividend Reinvestment Plan in relation to the Electable Portion subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be. In such event, the Electable Portion shall be paid in cash to the Shareholders in the usual manner from the Dividend Payment Account.

7. EXTENT OF APPLICATION OF DIVIDEND REINVESTMENT PLAN TO EACH ELECTABLE PORTION

The Board may, at its absolute discretion, determine in respect of any particular Dividend, whether the Dividend Reinvestment Plan shall apply and if so, the size of the Electable Portion. In this respect, the Electable Portion may apply to the whole Dividend declared or only a portion of the Dividend declared.

If, in its absolute discretion, the Board has not determined that the Dividend Reinvestment Plan is to apply to a particular Dividend, such Dividend shall be paid in cash to the Shareholders in the usual manner through the Dividend Payment Account.

8. SHARE ENTITLEMENT

By electing to participate in the Dividend Reinvestment Plan in respect of any Notice of Election received by him, a Shareholder elects to reinvest the entire Electable Portion or part thereof to which such Notice of Election relates.

In respect of any Electable Portion, the number of New Shares to be allotted and issued to the Participating Shareholder electing to reinvest the entire Electable Portion or part thereof in New Shares in respect of a Notice of Election shall be calculated in accordance with the following formula:

$$N = \frac{S \times D \times W}{V}$$

Where:

N = is the number of New Shares to be allotted and issued as fully paid-up to the Participating Shareholder in respect of such Notice of Election.

S = is the number of Participating Shares held by the Participating Shareholder as at the Books Closure Date in respect of which Notice of Election relates.

DIVIDEND REINVESTMENT PLAN STATEMENT – TERMS AND CONDITIONS (CONT'D)

- D = is the amount of Dividend declared for each GDEX Share (after deduction of applicable income tax), expressed in RM, for which the Reinvestment Option applies.
- W = is the proportion of the Electable Portion chosen by the Participating Shareholder to be reinvested in New Shares in which the Participating Shareholders is entitled to exercise the Reinvestment Option.
- V = is the Issue Price, which, for the purpose of the Dividend Reinvestment Plan, shall be a price of not more than ten percent (10%) discount to the adjusted WAMP of GDEX Shares for the five (5) Market Days prior to the price fixing date to be determined. For avoidance of doubt, the Ex-all Price shall be adjusted for Dividends before applying the aforementioned discount in fixing the Issue Price. The Issue Price may not be less than the par value of GDEX Shares at the material time.

Under the Dividend Reinvestment Plan, Shareholders who elect to exercise the Reinvestment Option shall not be allotted fractional shares. As such, the amount of Dividend relating to such fractional shares will be paid in cash to the Shareholders in the usual manner.

9. TERMS OF ALLOTMENT

Unless the Board otherwise determines, all New Shares allotted under the Dividend Reinvestment Plan will be allotted as fully paid-up. All such New Shares shall upon allotment and issuance, rank *pari passu* in all respects with the existing GDEX Shares, except that the holders of New Shares shall not be entitled to any Dividends, rights, allotments and/or other distributions which may be declared, made or paid preceding the date of allotment of the New Shares. It should be noted that since fractional New Shares will not be allotted, any amount of the Dividend payment that is insufficient for the issuance of one (1) whole New Shares will be received in cash by Shareholders in the usual manner through the Dividend Payment Account.

As the New Shares to be issued pursuant to the Dividend Reinvestment Plan are prescribed securities, the New Shares will be credited directly into the respective Central Depository System Accounts of Shareholders. No physical share certificates will be issued.

10. ODD LOTS

A Shareholder who elects to reinvest the entire Electable Portion or part thereof and receive New Shares may be allotted such New Shares in odd lots. Shareholders who receive odd lots of New Shares and wish to trade such odd lots on Bursa Securities should do so in the odd lots market, which allows trading of odd lots (with a minimum of one (1) GDEX Share).

11. NOTIFICATION TO PARTICIPATING SHAREHOLDERS

Subsequent to the Books Closure Date, a Notice of Election will be despatched to Shareholders. Instructions will be provided in the Notice of Election with respect to the action to be taken by Shareholders to exercise the Reinvestment Option should the Shareholders wish to exercise the Reinvestment Option. The Notice of Election will also state, inter-alia, the Expiry Date. However, the Notice of Election and any other documents relating to the Dividend Reinvestment Plan will not be sent to Foreign Addressed Shareholders.

After the Books Closure Date, the Company shall transfer funds amounting to the total net payment of Dividends (i.e. after the deduction of any applicable income tax and after the deduction of any Dividends reinvested pursuant to the Dividend Reinvestment Plan) from its account to the Dividend Payment Account held in trust for the Shareholders.

DIVIDEND REINVESTMENT PLAN STATEMENT – TERMS AND CONDITIONS (CONT'D)

After such transfer of funds, the Dividend in the Dividend Payment Account will be paid and dealt with as follows:

- (a) in respect of Shareholders who elect to exercise their Reinvestment Option:
 - i. their entire Electable Portion or part thereof, which such Shareholders elect to reinvest in New Shares will be paid to, and reinvested in, the Company for New Shares; and
 - ii. Receive the Cash Portion, if applicable.
- (b) in respect of the Shareholders who do not exercise their Reinvestment Option, their entire Dividend will be received in cash.

Thereafter, on the Allotment Date, New Shares will be allotted and issued and notices of allotment will be despatched to Shareholders who have elected to exercise their Reinvestment Option.

An announcement will also be made on the listing of and quotation for the New Shares to be issued pursuant to the exercise by the Shareholders of the Reinvestment Option on the Main Market of Bursa Securities.

If Shareholders do not expressly elect in writing (i.e. by signing and returning the Notice of Election in accordance with the instructions stated therein) to exercise the Reinvestment Option by the Expiry Date, their Dividends will not be reinvested in New Shares and they will receive their Dividends in cash in the usual manner from the Dividend Payment Account. As such, Shareholders who do not wish to reinvest their Dividends in New Shares need not take any action with regards to the Notice of Election.

12. COST TO THE PARTICIPATING SHAREHOLDERS

The New Shares will be issued free from any brokerage or fees to Participating Shareholders unless otherwise provided by any statute, law or regulation.

13. CANCELLATION OF APPLICATION OF THE DIVIDEND REINVESTMENT PLAN

Notwithstanding any other provisions, Terms and Conditions of the Dividend Reinvestment Plan set out herein or otherwise and irrespective of whether an election to exercise the Reinvestment Option has been made, if at any time after the Board has determined that the Dividend Reinvestment Plan shall apply to any Dividend and before the allotment and issuance of New Shares in respect of the Electable Portion reinvested, the Board shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Dividend Reinvestment Plan in respect of the Electable Portion, the Board may, at its absolute discretion and as it deems fit and in the interest of the Company and without assigning any reason thereof, cancel the application of the Dividend Reinvestment Plan to the Electable Portion subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be. In such event, the Electable Portion shall be received in cash by Shareholders in the usual manner.

DIVIDEND REINVESTMENT PLAN STATEMENT – TERMS AND CONDITIONS (CONT'D)

14. MODIFICATION, SUSPENSION AND TERMINATION OF THE DIVIDEND REINVESTMENT PLAN

Subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be, the Dividend Reinvestment Plan (including the Terms and Conditions) may be modified, suspended (in whole or in part) or terminated at any time by the Board as it deems fit and expedient by giving notice to Shareholders in such manner as it deems fit notwithstanding any other provisions, Terms and Conditions of the Dividend Reinvestment Plan set out herein or otherwise and irrespective of whether an election to exercise the Reinvestment Option has been made.

In the case of a suspension, the Dividend Reinvestment Plan will be suspended in whole or in part, as the case may be, until such time as the Board resolve to recommence or terminate the Dividend Reinvestment Plan. If the Dividend Reinvestment Plan is recommenced, Participating Shareholders' Notice of Election confirming their participation under the previously suspended Dividend Reinvestment Plan will be valid and have full force and effect in accordance with these Terms and Conditions and any directions, terms and conditions to Shareholders for such commencement of the Dividend Reinvestment Plan which may be notified to all Shareholders.

15. GENERAL ADMINISTRATION OF THE DIVIDEND REINVESTMENT PLAN

The Board may implement the Dividend Reinvestment Plan in the manner it deems fit. The Board has the power to:

- (a) determine procedures, rules and regulations for administration of the Dividend Reinvestment Plan consistent with these Terms and Conditions, as may be amended or modified from time to time;
- (b) settle in such manner as they think fit, any difficulty, anomaly or dispute (including relating to the interpretation of any provision, regulation or procedure or as to any rights under the Dividend Reinvestment Plan) which may arise in connection with the Dividend Reinvestment Plan, whether generally or in relation to any Participating Shareholder or any GDEX Share and the determination of the Board will be conclusive and binding on all Shareholders and other persons to whom the determination relates;
- (c) delegate to any one or more persons, for such period and on such conditions as the Board may determine, the exercise of any of its powers or discretion under or in respect of the Dividend Reinvestment Plan and references to a decision, opinion or determination of the Board include a reference to the decision, opinion or determination of the person or persons to whom the Board has delegated its authority for the purposes of administering the Dividend Reinvestment Plan; and
- (d) waive strict compliance by the Company or any Shareholders with any of these Terms and Conditions.

16. IMPLICATION OF THE CODE AND OTHER SHAREHOLDING LIMITS**(a) The Code**

Under Section 9(1) of Part III of the Code and Section 217 of the Capital Markets and Services Act, 2007, a Shareholder will, subject to any exemptions from the Securities Commission of Malaysia, be under an obligation to extend a take-over offer for the remaining shares in GDEX not already owned by him and persons acting in concert with him, if by participating in the Dividend Reinvestment Plan:

DIVIDEND REINVESTMENT PLAN STATEMENT – TERMS AND CONDITIONS (CONT'D)

- (i) he, together with persons acting in concert with him (collectively, the “**Affected Party**”) acquire or hold or are entitled to exercise or control the exercise of more than thirty-three percent (33%) of the voting shares of GDEX; or
- (ii) where the Affected Party holds more than thirty-three percent (33%) but not more than fifty percent (50%) of the voting shares of GDEX and the Affected Party acquires more than 2% of the voting shares of GDEX in any period of six (6) months.

If any of the circumstances above apply, the Affected Party may make an application to the Securities Commission of Malaysia for a waiver from the obligation to undertake a mandatory offer pursuant to the Code prior to them exercising the Reinvestment Option.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under, the Code or other relevant legislation or regulations. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Code as a result of any subscription of GDEX Shares through their participation in the Dividend Reinvestment Plan are advised to consult their professional advisers at the earliest opportunity.

(b) Other shareholding limits

Shareholders are reminded to ensure that their participation will not result in a breach of any restrictions on their respective holding of GDEX Shares which may be imposed by any contractual obligations of Shareholders, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, or by any relevant authorities, as the case may be (unless the requisite approvals under the relevant statute, law or regulation or from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts), or as prescribed in the Company's Memorandum and Articles of Association.

In view of the shareholding limits referred to above, the Board shall be entitled but not obligated to (save and except where required by law) reduce or limit the number of New Shares to be issued to any Shareholder should the Board be aware or be informed in writing of any expected breach of such shareholding limits as a result of the exercise of the Reinvestment Option by such Shareholder.

17. GOVERNING LAW

The Dividend Reinvestment Plan Statement and the Terms and Conditions thereof shall be governed by, and construed in accordance with the laws of Malaysia.

18. NOTICES AND STATEMENTS

Unless otherwise provided in these Terms and Conditions, any notices, documents and statements required to be given by the Company to a Participating Shareholder shall be given in accordance with provisions of the Company's Memorandum and Articles of Association.

APPENDIX IV
FURTHER INFORMATION

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen and approved this Circular and they collectively and individually, accept full responsibility for the accuracy of the information contained in this Circular. The Board further confirms that, after having made all reasonable enquiries and to the best of their knowledge and belief, there is no false or misleading statement or other fact the omission of which, would make any statement in this Circular false or misleading.

2. CONSENTS

RHB Investment Bank, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, letter and all references thereto in the form and context in which they appear in this Circular.

Messrs Deloitte KassimChan, being the Reporting Accountants for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, its letter on the adequacy of the Company's reserves in relation to the Proposed Bonus Issue and all reference thereto in the form and context in which they appear in this Circular.

Messrs Cheang & Ariff, being the solicitors for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, letter and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATIONS OF CONFLICT OF INTEREST

RHB Investment Bank has given its written confirmation that there is no conflict of interest which exists or is likely to exist that may result in a conflict of interest situation in relation to its role as Principal Adviser for the Proposals.

Messrs Deloitte KassimChan has given its written confirmation that there is no conflict of interest which exists or is likely to exist that may result in a conflict of interest situation in relation to its role as Reporting Accountants for the Proposals.

Messrs Cheang & Ariff has given its written confirmation that there is no conflict of interest which exists or is likely to exist that may result in a conflict of interest situation in relation to its role as solicitors for the Proposals, although one of its partners, namely Ms Siew See See, is the niece of Mr Teong Teck Lean, who is the Managing Director/ Group Chief Executive Director and major shareholder of GDEX.

4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

The Board has confirmed that, as at the LPD, the Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which may have a material effect on the financial position of the Group and the Board does not have knowledge of any proceedings, pending or threatened, against the Group or any facts which is likely to give rise to any proceedings which may materially and adversely affect the financial position of business of the Group.

5. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**Material commitments**

As at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group, which upon becoming due or enforceable, may have a material impact on the profits or NA of the Group.

FURTHER INFORMATION (CONT'D)

Contingent liabilities

As at the LPD, the Board is not aware of any other contingent liabilities incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the profits and NA of the Group.

6. DOCUMENT AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) Memorandum and Articles of Association of GDEX;
- (ii) Audited consolidated financial statements of GDEX for the past two (2) FYE 30 June 2012 and 30 June 2013;
- (iii) Letter dated 31 October 2013 from the external auditors of the Company, Messrs Deloitte KassimChan on the adequacy of reserves as referred to in Appendix II;
- (iv) Letters of consent referred to in Section 2 above; and
- (v) Letters of declaration of conflict of interest referred to in Section 3 above.

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

EXTRACT OF NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Tenth Annual General Meeting of the Company will be held at Dewan Berjaya, Bukit Kiara Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 3 December 2013 at 11.00 a.m. to transact the following businesses:-

As Special Business

13. **Proposed Subdivision of every One (1) existing Ordinary Share of RM0.10 each in the Company ("GDEX Share") into Two (2) Ordinary Shares of RM0.05 each in the Company ("Subdivided Shares") ("Proposed Share Split")**

"THAT subject to the passing of Special Resolution 1 and the approvals of all relevant authorities, the Company be and is hereby authorised to subdivide each of the existing ordinary share of RM0.10 each in the Company into two (2) ordinary shares of RM0.05 each in the Company.

THAT the Subdivided Shares shall, upon allotment and issue, rank *pari passu* in all respects with each other.

THAT the Proposed Share Split will be applied for the GDEX Shares held by the registered shareholders of the Company, whose name appear in the Record of Depositors of the Company at the close of business on a date to be determined and announced by the Board.

AND THAT the Board of Directors of the Company be and is hereby authorised to take all such necessary steps to give effect to the Proposed Share Split with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by the relevant authorities or deemed by the Board to be in the best interest of the Company, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Share Split."

Ordinary Resolution 12

14. **Proposed Issuance of One (1) New Subdivided Share ("Bonus Shares") for every Two (2) Subdivided Shares held by the entitled Shareholders of the Company whose name appear in the Record of Depositors of the Company as at the close of business ("Entitled Shareholders") at an entitlement date to be determined later ("Entitlement Date") ("Proposed Bonus Issue");**

"THAT subject to the passing of Special Resolution 1 and Ordinary Resolution 12 and the approvals of all relevant authorities, the Company be and is hereby authorised to issue up to 308,623,245 Bonus Shares to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an Entitlement Date to be determined later by the Board of Directors, on the basis of one (1) Bonus Share for every two (2) Subdivided Shares held.

THAT the Board of Directors be and is hereby authorised to deal with any fractional entitlements of the Bonus Shares that may arise from the Proposed Bonus Issue, in such manner as the Board deems fit and expedient in the best interest of the Company.

THAT the Bonus Shares to be issued pursuant to the Proposed Bonus Issue shall upon allotment and issuance, rank *pari passu* in all respect with the existing GDEX Shares, save and except that they shall not be entitled to any dividends, rights, allotment and/ or other forms of distribution that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the Bonus Shares.

AND THAT the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Bonus Issue with full powers to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required by the relevant authorities or deemed by the Board to be in the best interest of the Company, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue.”

Ordinary Resolution 13

15. **Proposed establishment of a Dividend Reinvestment Plan that provides the Shareholders of the Company the option to elect to reinvest their cash dividend in the subdivided shares in the Company (“Proposed DRP”)**

“**THAT** subject to the approvals of the relevant regulatory authorities (if required) for the Proposed DRP being obtained and to the extent permitted by law:

- (a) the Proposed DRP which shall upon such terms and conditions as the Board, at their sole and absolute discretion, deem fit be and is hereby approved;
- (b) the Board be and is hereby authorised:
 - (i) to establish and implement the Proposed DRP;
 - (ii) to determine, at their sole and absolute discretion, whether the Proposed DRP will apply to any dividends declared (whether interim, final, special or any other cash dividend) and/or approved by the Company and in respect of the financial year ended 30 June 2013;
 - (iii) to allot and issue such number of new Subdivided Shares from time to time as may be required to be allotted and issued pursuant to the Proposed DRP; and
 - (iv) to do all such acts and enter into all such transactions, arrangements, deeds, undertakings and documents as may be necessary or expedient in order to give full effect to the Proposed DRP with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed or agreed to by any relevant authorities (if any) or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, or by the Directors as they, in their absolute discretion, deem fit and in the best interest of the Company;

THAT, the new Subdivided Shares shall, upon allotment and issue, rank *pari passu* in all respects with the existing GDEX Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made, or paid prior to or on the date of allotment of the new Subdivided Shares.

AND THAT no document pertaining to the Proposed DRP shall be issued or sent to the Shareholders having addresses outside Malaysia in the Company’s Record of Depositors or who have not provided an address in Malaysia at which such documents may be delivered to.”

Ordinary Resolution 14

16. **Proposed Amendments to the Memorandum and Articles of Association of the Company to facilitate and allow the implementation of the Proposed Share Split**

“**THAT** subject to the passing of Ordinary Resolution 12 above, approval be and is hereby given for the Clause 5 of the Memorandum of Association and Article 4 of the Articles of Association of the Company to be respectively amended to the following for purposes of giving effect to the Proposed Share Split:

(i) Clause 5

The capital of the Company is Ringgit Malaysia Fifty Million (RM50,000,000.00) divided into One Billion (1,000,000,000) ordinary shares of RM0.05 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

(ii) Article 4

The authorised share capital of the Company is Ringgit Malaysia Fifty Million (RM50,000,000.00) divided into One Billion (1,000,000,000) ordinary shares of RM0.05 each.

AND THAT the Board of Directors of the Company be and are hereby authorised to do all such deeds, acts and things and execute, sign deliver all documents, and to take all such steps for and on behalf of the Company as they may consider necessary or expedient or relevant to finalise, give effect to, and implement, the Proposed Amendments with full power to assent to any conditions, modifications, variations and/or amendments as they deem fit or as may be imposed or permitted by the relevant authorities.”

Special Resolution 1

BY ORDER OF THE BOARD
TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
Company Secretaries

Selangor Darul Ehsan
Date: 11 November 2013

Notes:

1. A member [other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991] entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The Proxy Form shall be signed by the appointer or his attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited by hand at the Registered Office of the Company not less than 48 hours before the time set for the Meeting or any adjournment thereof.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 26 November 2013 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

EXPLANATORY NOTES:-

6. *Item 13 of the Agenda*

Ordinary Resolution 12 on the Proposed Share Split if passed, is expected to enhance the marketability and trading liquidity of the GDEX Shares as a result of the increase in the number of GDEX Shares in issue. It is also expected to appeal to a wider group of shareholders and investors in term of the affordability of the GDEX Shares. Further details on Ordinary Resolution 12 are set out in the Circular to Shareholders dated 11 November 2013.

7. *Item 14 of the Agenda*

Ordinary Resolution 13 on the Proposed Bonus Issue if passed, is to reward the existing entitled shareholders for their continued support and loyalty to the Group by enabling them to have a greater participation in the equity of the Company. It is also to increase the number of GDEX Shares held by the shareholders whilst maintaining their percentage of equity interest in the Company. Further details on Ordinary Resolution 13 are set out in the Circular to Shareholders dated 11 November 2013.

8. *Item 15 of the Agenda*

Ordinary Resolution 14 on the Proposed DRP if passed, is intended to strengthen the Company's capital position as any cash so retained within GDEX, that would otherwise be made payable by way of Dividend, will be preserved to fund the GDEX Group's continuing growth and expansion plan, and/or for the GDEX Group's working capital (including payment for general corporate activities and to defray expenses incurred in the course of day-to-day business operations). Further details on Ordinary Resolution 14 are set out in the Circular to Shareholders dated 11 November 2013.

9. *Item 16 of the Agenda*

Special Resolution 1 on the Proposed Amendments if passed, is to facilitate and allow the implementation of the Proposed Share Split. Further details on Special Resolution 1 are set out in the Circular to Shareholders dated 11 November 2013.