GD EXPRESS CARRIER BERHAD ANNUAL REPORT 2009

GD EXPRESS CARRIER BERHAD
(630579-A)

ANNUAL REPORT 2009

Contents

Our Stations

HEADQUARTERS (PJ)

Headquarters (PJ)
03-7787 2222

Sales Office
03-2141 5313

PENINSULA MALAYSIA

Alor Setar
04-734 9636

Batu Pahat
07-434 6033

Bahau
06-454 0295

Bentong
09-223 5099

Butterworth
04-398 3930

Benta
09-323 0122

Dungun
09- 848 1243

Gemas
07-948 1266

Gemencheh
06-431 9420

Gua Musang
09- 912 2046

Ipoh
05-241 6678

Jerteh
09-697 8734

Johor Bahru
07-333 5578

Johor Bahru
(Service Center)
07-221 5578

Johor Bahru
(Service Center
Permas Jaya)
07-386 5578

Kampar
05-465 9448

Kajang
03-8737 0988

Kemaman
09-858 3091

Klang
03-3341 1708

Kluang
07-774 3362

Kota Bharu
09-743 1800

Kota Tinggi
07-882 5578

Kuantan
09-567 2033

Kuala Terengganu
09-620 3006

Kuala Krai
09-966 3546

Kuala Lipis
09-312 2697

Kuala Selangor
03-3289 4727

Langkawi
04-966 0160

Maran
019-926 9683

Malim Jaya
06-334 0131

Muadzam Shah
09-452 5888

Melaka
06-281 8033

Melawati
03-6187 3059

Mentakab
09-277 2100

Mersing
07-799 6868

Muar
06-954 2650

Parit Buntar
05-716 9429

Penang
04-227 9358

Port Klang
03-3323 6063

Puchong
03-5882 2460

Rawang
03-6091 5662

Segamat
07-932 8033

Senai
07-663 8578

Serdang
03-8945 3488

Seremban
06-767 0121

Sg. Petani
04-421 5580

Sg. Besar
013-209 2280

Shah Alam
03-5122 9166

Sitiawan
05-691 0372

Sungai Besi
03-9221 0193

Subang Jaya
03-5631 0688

Sungai Buloh
03-7846 1226

Tangkak
06-978 5018

Tampin
06-441 4716

Taiping
05-805 2401

Tanjung Malim
05-459 9210

Teluk Intan
05-623 4635

EAST MALAYSIA

SABAH

Keningau
087-336 631

Kudat
088-611 490

Kota Belud
088-977 126

Kota Marudu
088-661 619

Kota Kinabalu
088-259 953

Lahad Datu
089-885 770

Sandakan
089-222 475

Tambunan
017-830 9545

Tawau
089-774 173

Papar/Sipitang/
Beufort/K.Penyu
019-851 1775

Ranau
019-802 2788

SARAWAK

Batu Niah
085-738 388

Bau
082-695 8777

Betong
083-472 485

Bintagor
084-693 497

Dalat
084-864 250

Daro
084-823 786

Kanowit
084-752 306

Kapit
084-796 707

Kuching
082-232 306

Lundu
082-735 637

Lawas
085-285 369

Limbang
085-212 521

Marudi
085-756 693

Miri
085-434 148

Mukah
084-872 808

Sarikei
084-654 108

Saratok
083-436 003

Serian
082-874 613

Sri Aman
083-327 288

Sibu
084-218 063

Song
084-777 261

LABUAN

Labuan
087-425 880

SINGAPORE

Singapore
65-6396 5539

GD EXPRESS

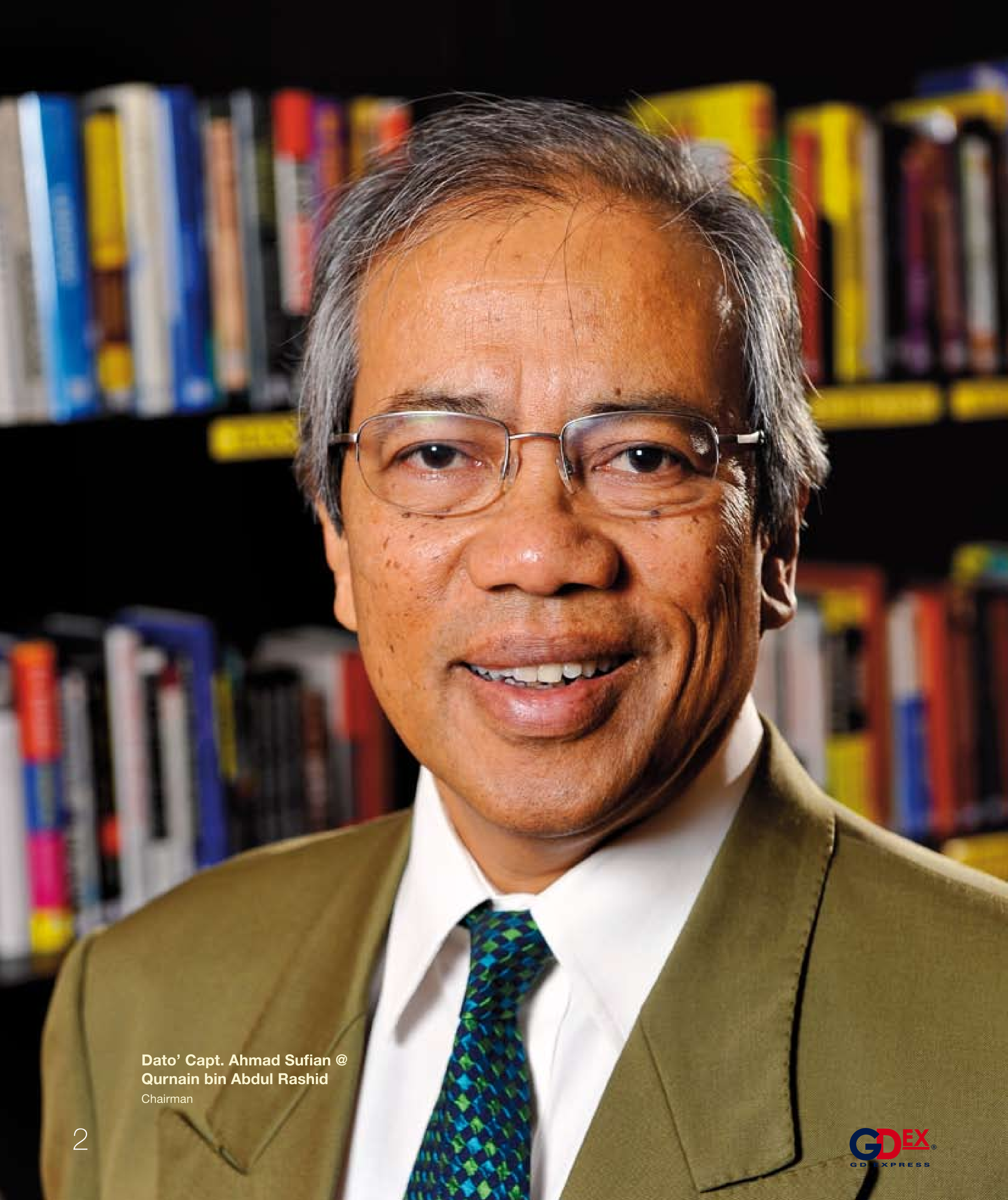
listen, innovate & deliver

The 21st century we live in is one of speed, connection and precision.

Businesses that meet these goals will succeed. Otherwise, they perish. Logistics service providers exist to support businesses meeting these goals. They are required to understand the sophisticated operating environments and objectives of their customers, provide solutions aligned to these objectives and deliver such execution that can achieve speedy and precise access for their customers.

In GDEX, we listen to you in order to understand the complexity of your needs and problems, innovate solutions to help you to achieve your objective and deliver your goods customised to your requirements. Yes, there will be obstacles, leave that to us. We will provide that reliable access.

Perhaps, air-drop is the only way to bring your goods to where man cannot reach on foot.

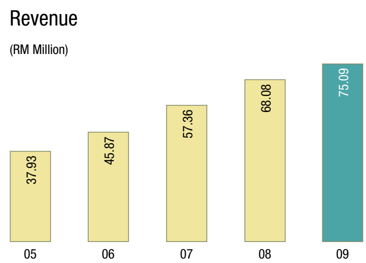


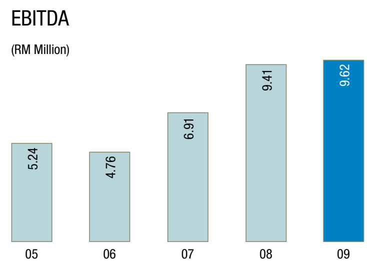
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Chairman

Chairman's Statement

Dear Shareholders

I am pleased to present my fifth annual report to you for the financial year ended 30 June 2009. In spite of a worldwide recession sparked off by the sub-prime financial crisis in the United States last September, our Group continued to register steady growth in sales. However, profitability was affected by higher operating costs. One such increase that arose was that of manpower cost, with our latest round of pay adjustments to the service, operation and support staff in order to attract and retain the best people. Bottom-line was also affected by the margin pressure from our customers as the economic downturn forces everyone to cut costs. Although the year reviewed has been a tough period, the Group has managed to raise its level of operational efficiency, especially in the key areas of our infrastructure, network, operation processes, systems and human resources.





Our Performance in 2009

The financial year 2008/09 was one of the toughest years the Group has ever experienced since its listing on the Bursa Malaysia in 2005. In fact, it was one of the worst economic and financial periods the world has ever witnessed since the depression of 1930s.

In any major economic upheaval, the transportation sector is always the first to be hit as local and international businesses contract. Transport providers, often seen as the barometer of economic activities, will experience an immediate contraction in their business as the haulage of goods and services dry up.

Although fuel prices dropped considerably from its peak of US$147 per barrel to below US$40 per barrel during FY 2008/09, operating costs continued to go up as labour costs increased while prices of commodities and other services remained high.

Against this background, I am contented to report that the Group achieved a modest increase in sales but suffered a slight drop in profitability. For the year reviewed, the Group achieved a 10% increase in turnover to RM75.09million from RM68.08 million previously. The Group pre-tax profit however declined by 18% to RM3.56 million from RM4.36 million previously. Net profit was RM2.08 million against RM2.98 million in the previous financial year, a decline of 30%. Net earnings per share amounts to 0.81sen per every 10 sen share.

Our Past 5 Years Performance

In the current challenging business environment, we should review our Group's performance since our listing in 2005. I am proud to report that the Group has produced 5 really solid years of revenue and EBITDA (earnings before interest, tax, depreciation and amortisation) growth. Since 2005, our revenue has shown a compounded annual growth rate (CAGR) of 17.1% per annum while EBITDA has shown a CAGR of 16.4% per annum. The above table charts our steady growth in the 5 year period.

EBITDA is an alternative measure to evaluate companies like GDEX which are in a rapid growth and heavy reinvestment phase.

I must congratulate our management and staff for their hard work for such achievements during this challenging period.

Dividend Policy

The bulk of our Group's capital reinvestment programme has been successfully implemented, thanks to our aggressive reinvestment policy of the previous few years. We have been able to conserve our financial resources and are able to continue to reward our shareholders with a dividend for the second year running.

It is my great pleasure, as such, to announce that the Board of Directors has proposed a final single tier dividend of 5% and a special single tier dividend of 5% for the financial year ended 30 June 2009. These proposed dividends will result in a payout of RM2.57 million to our shareholders. While this proposed dividend payout is modest, it nevertheless reflects our Group's commitment to meet our earnings distribution policy whenever we can.

Significant Developments

For the year reviewed, our Group has undertaken the following significant developments:

- Signed a Memorandum of Understanding in January 2009 with the Lao National Post to develop international and domestic express delivery services under shared brands for the Laos market. By the end of the FY08/09, both parties have already carried out their feasibility studies and will decide whether to proceed with a joint venture in the current financial year.

- Adopted a revised Corporate Vision to reflect the Group's direction.

- Revamped the Group Quality Policy to guide the Group towards world-class service excellence.

- Completed setting up line-haul operations in Sabah and Sarawak.

- Revised the pay structure of various operational, service and support departments of the Group to ensure we have a competitive pay package that attracts and retains the best people in the organisation.

Challenges and Opportunities

In times of financial and economic uncertainties, as in the current global recession, companies and industries are looking for ways and means to reduce costs and expenses while improving quality in an effort to stay afloat.

It is in the Group's interests and has been our challenge to first put our ears to the ground, listen intently and understand the concerns faced by our customers. Secondly, for us to strategise and to provide innovative and cost-effective express carrier solutions to meet the needs of our customers.

Even in a crisis, there exists major opportunities for the Group to tap. The challenge for our Group is to be able to identify such opportunities, put our resources to work and transform these opportunities into profitable activities for the Group.

Developing Service Quality

While the Group is constantly looking to improve bottom-line, we are always mindful that we need to continually improve on the quality of service delivery. The greatest challenge in developing service quality lies not only in training but in transforming the mindset and value system of our people. We must appreciate and adopt first world mentality of service excellence in every aspect of our operations. Only then, can we rise up to meet and exceed the international standards of delivery service and compete effectively.

During the year reviewed, despite the tough economic conditions, our Group continued to train and develop a core group of executives capable of performing to international standards of service excellence. This places our Group in strategic position, ready to be "Firing On All Cylinders" as the world emerges from the recession.

The Future

Stiffer market competition and increased cost of doing business are likely to stay for the express carrier industry today. We expect fuel prices to remain high and inflationary pressures to mount. The world economic outlook is likely to remain uncertain and the business environment will be tough. However, the Group has taken several measures to mitigate such problems and I am certain that these measures, when carried out, will enable the Group to overcome the challenges.

Meanwhile, we have identified areas of opportunities, like the commencement of AFTA (ASEAN Free Trade Area) in 2010 and the various development initiatives of our Government that we can capitalise on.

Acknowledgement

I would like to thank the management and staff for their continued dedication and untiring efforts to expand the Group.

My sincere thanks and appreciation also goes to our customers, vendors, business associates and the various statutory and government bodies, which have facilitated the Group in its operations.

I would also like to thank our shareholders for their patience and confidence in us. I believe the proposed dividends for the second consecutive year reflect our Board's efforts to consistently reward our loyal stakeholders.

Last but not least, I would like to commend my fellow board members who have continued to fulfill their commitments and obligations to the board.

Thank you for all your valuable contributions. I look forward to a better year ahead.

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Chairman

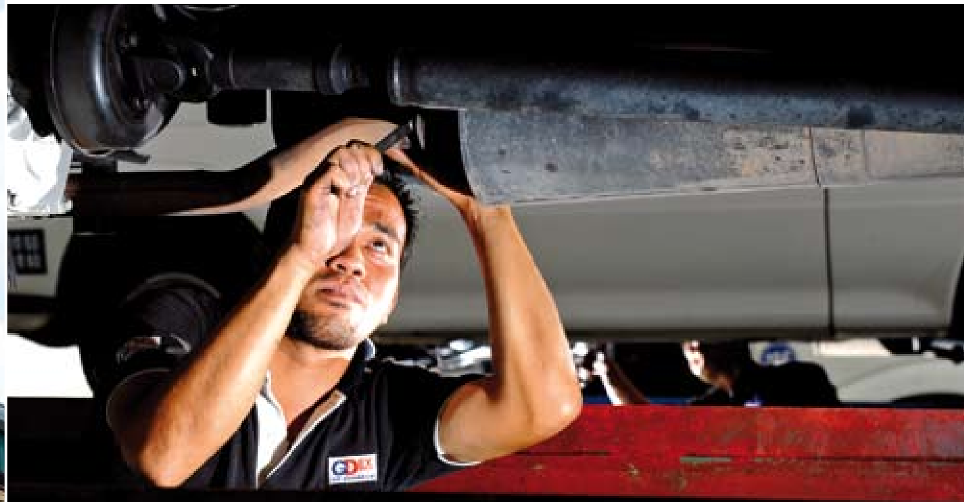
Ensuring Efficient and Timely Delivery

More than 280 GDEX trucks ply the highways, byways and thoroughfares of the cities and countryside of Peninsular Malaysia, Sabah and Sarawak daily, fetching and carrying your documents and parcels to their various destinations. The risk of mechanical failure or breakdown is ever present.

However, you seldom see any GDEX truck breaking down in the middle of its journey. This is because our mechanics in the Transport Department take great pains to ensure that every vehicle that goes out is not only road-worthy but also well-maintained to make the delivery run. About 20 delivery trucks are also on standby to cater for any unforeseen break-down or maintenance downtime.

That way we ensure your documents and parcels are always delivered safely and on time, every time.


GDEX
dexpress.com
ervice YOU TRUST




GDEX
BJM 3952

Leong Chee Tong
Chief Executive Officer and Executive Director

Review Of Operations By The Chief Executive Officer

The year under review was extremely uncompromising as we were buffeted by a series of global economic and financial crises. Yet, it became a golden opportunity to learn how to survive the tough times. The experience gained was invaluable. Against this backdrop, I am pleased to present my Review of Operations for the financial year ended 30 June 2009.

For the financial year ended 30 June 2009, turnover increased 10% to RM75.09 million from RM68.08 million previously. Pre-tax profit, however, declined 18% to RM3.56 million from RM4.36 million while net profit declined to RM2.08 million from RM2.98 million previously.

The financial period under review was unprecedented. In the first half of the financial year, high commodity and oil prices led to a general increase in operating costs and the costs of living. The lower income group, where majority of our employees are from, were the hardest hit. Towards the end of 2008, the economy deteriorated further in the wake of the sub-prime crisis. Surviving these turbulent times was most challenging. It forced us to be productive with our resources and tested our response plan on controlling costs. Most importantly, it strengthened our determination and teamwork.

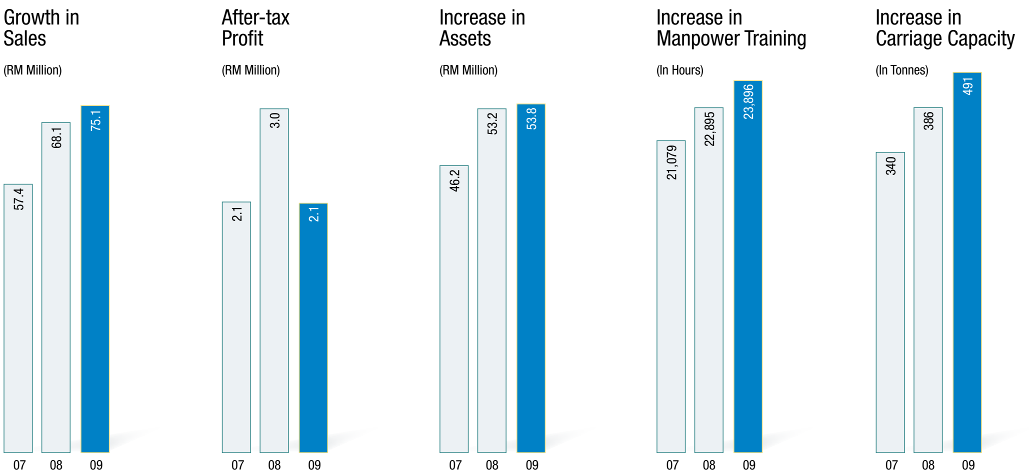
Key Focus Areas

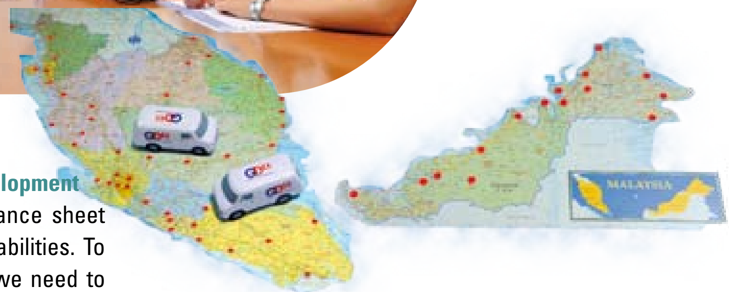
Amidst an environment that permit little margin of tolerance, we have identified three priorities to move forward. Our top priority is to reinforce sustainability and not allow liquidity shock threaten our survival. Next, we have to continuously enhance our long term competitiveness and cost effectiveness. Finally, we need to ensure our core business is built on a solid foundation. Translating these priorities into operational strategies, we focus on the following areas:

- **Improve Cash Flow, Accounts Receivable and Balance Sheet**
  To enhance liquidity and to improve Accounts Receivable, we implemented a 2% prompt payment rebate. Additional resources were allocated to beef up collection efforts, alongside other incentive schemes. Though that accounted for some erosion on top and bottom lines, we improved our cash and cash equivalents from RM5.50 million to RM10.68 million over the financial year. Trade receivable ageing was reduced from 3.2 months to 2.6 months, while total bank borrowings were reduced from RM9.4 million to RM8.0 million. The result was a much healthier balance sheet.

- **Improve operation efficiency and productivity**
  Operation efficiency and productivity are keys to cost structure, which in turn affect pricing policy and competitive position. We have established productivity standards and formulated operation guidelines to achieve the standards. We have also set up a review mechanism to drive continuous productivity improvement.

- **Improve key service components**
  We have reviewed three key service components, namely service reliability, service responsiveness and service hospitality and installed measures to improve them. Tools have been designed and put in place to measure and analyze each service component. Based on the findings, plans were developed to drive service improvement.





Network, Infrastructure and Systems Development

Our focus to strengthen liquidity and balance sheet did not deter us from developing our capabilities. To balance development need and liquidity, we need to be selective. The criteria we have adopted is to invest in areas of immediate improvement in service or productivity. Following are the areas of developments:

- **Adoption of Secured Line-haul Movable Compartments and fixture of all line-haul trucks with tail-gates**
  The adoption of this solution is the first-ever within the industry. It improves turnaround time in the loading and unloading of shipments to and from the line-haul trucks. It also improves security and accountability in the handing over of shipments among transshipment hub, line-haul trucks and stations. The new mode of express hauling also helps prevent customers' shipments from damage.

- **Further development on GDEX Intranet and Extranet**
  Our delivery service was further refined with more interactions taking place over the intranet platform; for example, the Online Service Area Reference and report of proof of delivery over the intranet. The adoption of extranet provides us additional channel of close co-ordination with our customers.

- **Retail Lodge-in Agents**
  To provide better convenience for customers in the city, we have introduced a scheme of Retail Lodge-in Agents. A total of 17 agents have been appointed.

- **Expanded fleet**
  To support the increase in business volume, we continued expanding our fleet size and fleet capacity. A total of 31 trucks were added, bringing fleet size to 280 units as at 31 June 2009 from 249 units previously. Accordingly, our carriage capacity was increased to 491 tons from 386 tons.

- **Commenced Ground Line-haul operation in Sabah and Sarawak**
  We have commenced operation of intra-state ground line-haul within Sabah and Sarawak. This strategic deployment enhances our reach within these 2 states and is expected to strengthen our competitive edge in the long run.

Market, Customers and Services

To ensure our services remain relevant, there is a need to understand the ever changing market needs. The key challenge is to satisfy customers' needs while conforming to our core operation processes. That is where customised logistics solutions come in.

We have launched GDEX's pre-paid Speed-Doc and Speed-Pac. These have added greater convenience for customers to lodge in.

Resources and Supporting Functions

To ensure company operations are productively run, our key resources namely human, financial and existing infrastructure need to be organised efficiently. Human resources top the list.

Training for our front line staff was intensified. A total of 23,896 man-hours of training were received by our staff compared to 22,895 man-hours before.

A revised salary structure was implemented to bring salary scales closer to market rates. While operating costs have increased as a result of this decision, this is vital to attract and retain talents in the organisation.

The Group adopted a cost rationalisation exercise to control and reduce cost on numerous fronts. Several scenarios of possible economic situations were prepared and their response plans were being tested. On financial management, the Group has beefed up its reserve in view of the continued uncertainties on the economic front.

We also reviewed the operation of our existing infrastructure and facilities to promote a more effective utilisation of resources.

Corporate Development

On the corporate front, we have undertaken the following developments:

- **New Vision and Quality Policy**
  We have revised our Vision Statement and Quality Policy. Our new Corporate Vision is in line with our aspiration to provide the most admired delivery service by a team of dedicated and passionate people. Our new Quality Policy calls for every employee of GDEX to view criticisms constructively and positively, and to adopt an objective-oriented approach.

- **Memorandum of Understanding (MOU) with Lao National Post**
  As part of our efforts to explore opportunities in regional expansion, we have entered into discussions with Lao National Post. An MOU was signed to explore developing the express carrier business in Laos. So far, feasibility study has been completed.

- **Roles of the Corporate Governance Unit**
  We have specified the roles of our Corporate Governance Unit. The roles include the responsibility to report improper conduct of all levels of staff to the Audit Committee of the board of directors.

- **Corporate Social Responsibility**
  We have carried out our fourth blood donation drive and collected over 200 pints for the Blood Bank. In addition, 5 industrial attachments programmes were conducted in collaboration with the various local universities. A total of 70 participating trainees have benefited from it.

Looking Ahead

We foresee the world economy will remain uncertain for the time being. A sustainable recovery may take longer to materialise. Business environment will continue to evolve. Changing market needs is bound to render some businesses irrelevant while opening up new avenues. We must constantly look out for threats and opportunities and be sensitive to changes in consumer needs.

The building block of a lasting organisation is a culture with clear vision, strong sense of mission and sound values. This is vital in attracting and retaining talents of good character to become our future leaders.

VISION

A Team of Caring and Passionate People;

An Organisation with Strong Integrity, Sound Value and Effective Processes;

Empowering Our Customers with Timely and Reliable Access by providing Innovative, High Quality and Value for Money Delivery Solutions; and

Contributing to the Well-being of Our Community – A Leading Role Model in the Delivery Service Industry

QUALITY POLICY

We are committed to ensuring every task is thoroughly planned and goals understood. Each process is only completed after checking that the goals are met.

Whatever we do, we believe that there is always a better way to carry out the task. We must strive to discover the better way.

Strategic Focus and Continual Development

We need to remain focused in developing our strengths by further sharpening our core service competencies. We also need to identify new business opportunities by being close to the ground.

We are resolved to maintain financial security by having a strong balance sheet and being prudent in engaging any expansion activity.

We will continue to develop our human resources and groom future leaders in all levels of management. To achieve this, we will implement a sustainable development programme for our people.

We will continue to explore opportunities of growth in the region to propel our expansion.

Acknowledgement

I would like to thank the Board of Directors for their guidance and my fellow colleagues for their dedicated commitment and hard work. I also thank our customers, vendors and business service partners for their unreserved support during these tough times.

I look forward to further progress and sustainable development in GDEX to make us the leading express and customised carrier in Malaysia and in the region.

Leong Chee Tong
Chief Executive Officer and Executive Director

Service Excellence Beyond Expectations

At GDEX, we train our front-line staff to listen and understand our customers' requirements in order that they may be able to innovate and provide service that meet and go beyond customers' expectations. In pursuing world class service excellence, we dedicated thousands of man-hours to train our staff so that they can attend to the needs of our customers in all kinds of situations.

Ensuring Efficient and Secured Processing

Our all-weather hub ensures there is no let-up in the processing and sorting of your documents and parcels, come rain or shine. Our traffic control team directs incoming trucks to their respective bays before the consignments are unloaded, processed and sorted to their respective destinations. The consignments are then packed and stored in our Secured Line-Haul Compartments (SLHC), well-secured against theft and ready for delivery.


TOYOTA

Board Of Directors

Sitting from left to right

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid [Chairman] •
Teong Teck Lean [Executive Deputy Chairman] •

Standing from left to right

Nolee Ashilin binti Mohammed Radzi • **Lau Wing Tat** •
Leong Chee Tong [Executive Director & Chief Executive Officer] •
Kong Hwai Ming • **Liew Heng Heng** •

Directors Profile

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Independent, Non-Executive Chairman

Malaysian aged 60

He was appointed as chairman on 8 February 2005. He is a qualified Master Mariner with a Masters in Foreign-Going Certificate of Competency from the United Kingdom in 1974 and holds a Diploma in Applied International Management from the Swedish Institute of Management in 1984. He also attended the Advanced Management Program (AMP) at Harvard University in 1993. Amongst his previous experience was the creation and development of Perbadanan Nasional Shipping Line Berhad for which he served as its first Executive Director/CEO for seven (7) years. He is a fellow of the Nautical Institute (UK), a Fellow of the Chartered Institute of Logistics & Transport and a Fellow of the Institute of Kelautan Malaysia. He is also a Founder Director of the Maritime Institute of Malaysia (MIMA). He also sits on the board of directors in other public listed companies. He is the Chairman of WCT Engineering Berhad, Alam Maritime Resources Berhad and a director of Malaysian Bulk Carriers Berhad. In May 1996, he was appointed by the Minister of Finance as Chairman of Global Maritime Ventures Berhad, a marine venture capital company set up by the Ministry of Finance under Bank Industri & Teknologi Malaysia. He relinquished from this position in August 2003. In June 2009, he was appointed as an Independent Director and member of the Audit Committee of the PPB Group Berhad.

Teong Teck Lean
Executive Deputy Chairman

Malaysian aged 49

He was appointed to the board on 8 February 2005. He holds a degree in Electrical and Electronics Engineering from the University of Manitoba, Canada. Mr Teong started his career as an engineer with Texas Instruments in 1984. He later joined Lembaga Letrik Negara where he served as a Consumer Engineer for four (4) years. He then joined the stock broking industry and became a dealer with OSK Securities Berhad in 1990. During this stint in the broking industry, he developed extensive contacts within the corporate world in Malaysia and developed the skills of running a company. In year 2000, he acquired a controlling stake in GD Express Sdn Bhd. He is instrumental in turning around the group and putting in place most of the corporate policies and practices. Currently, Mr Teong is responsible for developing and setting strategic direction for the Group. He is also playing the role of senior mentor in promoting and inculcating the corporate culture throughout the Group.

All Directors do not have any family relationship with any director and/or major shareholders of GD Express Carrier Berhad nor any conflict of interest in any business arrangement involving GD Express Carrier Berhad and have no convictions for any offences other than traffic offences if any, within the past 10 years. Except for Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid, the other director above holds no other Directorship in public companies in Malaysia.

Leong Chee Tong
Executive Director and Chief Executive Officer

Singaporean aged 44

He was appointed to the board on 8 February 2005. He has a degree in Accountancy from the National University of Singapore. Mr Leong started his career with Ernst & Young in Singapore in 1989. He then joined Tai Wee, a leading frozen food trading house in Singapore in 1991, before moving on to NTUC Healthcare Cooperative ("NHC") as its Finance Manager in 1995. During his five (5) years at NHC, where he was eventually promoted as the Group Financial Controller, NHC grew to become one of the leading and most comprehensive healthcare organisations in Singapore with businesses covering retail pharmacy, medical and dental practices, managed care programme and distribution of health care products. Mr Leong joined GD Express Group in 2000 and had played a key role in GD Express' turnaround and success. He has designed and structured most of the key work flows and operations processes and IT system that are at the heart of the Group's business operations. Currently, Mr Leong is responsible for the overall management of the Group as well as overseeing corporatisation of the organisation. He will also be responsible for the setting of performance and quality standards of the Group's service offerings and will be in charge of the co-ordination and allocation of the Group's resources to ensure that the Group is able to provide services that can meet the standards set.

Lau Wing Tat
Non-Independent Non-Executive Director

Singaporean aged 55

He was appointed to the board on 8 February 2005. He has a Degree in Mechanical Engineering from the University of Singapore and is a CFA charter holder. Mr Lau started his career as a Project Engineer with Esso Singapore Private Limited in 1979 before becoming an Assistant Consultant with PA Consultant in 1982. He then joined the Government of Singapore Investment Corporation (GIC) as an investment management specialist. During his 20-year stint in GIC, he had developed vast experience and knowledge about the general economy, industries and different business models adopted by established companies throughout the world. He was appointed a member of the GIC Management team overseeing the entire equities investing operations of GIC during his last four years in GIC. He was appointed as a non-executive director on the Board of Thistle Hotel PLC and Distacom Communications Limited (Hong Kong) while in GIC. He joined GD Express Sdn Bhd in May 2003. Mr Lau joined DBS Asset Management Limited, a wholly owned subsidiary of DBS Bank in Singapore in 2005 and was both the Chief Executive Officer and Chief Investment Officer at the time of his departure in 2007. He served as an advisor to Siam Commercial Bank of Thailand from 2008 to 2009. He is currently the Executive Director of Sunmax Capital, a boutique corporate advisory and private equity investment company. He is also an Independent Director of Hyflux Water Trust (a listed Business Trust in Singapore) and a member of the Investment Committee at NTUC Income of Singapore (a leading Insurance Company).

All Directors do not have any family relationship with any director and/or major shareholders of GD Express Carrier Berhad nor any conflict of interest in any business arrangement involving GD Express Carrier Berhad and have no convictions for any offences other than traffic offences if any, within the past 10 years. All the directors above hold no other Directorship in public companies in Malaysia.



Kong Hwai Ming
Non-Independent Non-Executive Director

Singaporean aged 49

He was appointed to the board on 8 February 2005. He has a Diploma in Mechanical Engineering and Advance Diploma in Industrial Management from Singapore Polytechnic. Mr Kong started his career as a technician with Esso Refinery in 1981. He joined Petrochemical Corporation of Singapore as Operations Executive from 1989 to 1991. He then started his own trading company CKG Chemicals Pte Ltd specialising in petroleum chemical products in 1991. He is currently the Executive Director of the company which has a turnover of US$100 million per annum. He has more than 20 years experience in trading of petroleum and petrochemical products worldwide.

Liew Heng Heng
Independent Non-Executive Director

Malaysian aged 52

She was appointed to the board on 8 February 2005. She graduated from Systematic Institute Kuala Lumpur and holds a CIMA Certificate. She started her career as an Accounts Assistant with the New Straits Times Berhad in 1981. She then moved on to work with several other companies holding positions of Accounts Supervisor, Audit Assistant and Assistant Accountant. She completed her CIMA Certification in 1993 and joined Niramas Sdn Bhd as Accountant. From 1997 to 2002, she joined Southim (M) Sdn Bhd as Accountant before moving to Bison Stores Sdn Bhd as Senior Finance and Administration Manager where she is currently based.

Nolee Ashilin binti Mohammed Radzi
Independent Non-Executive Director

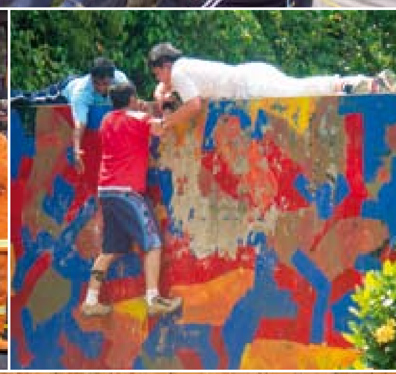
Malaysian aged 34

She was appointed to the board on 30 December 2004. She has a BS (Hons) Degree in Accounting and Finance from Manchester Metropolitan University, United Kingdom, and a Masters in Business Administration from Edith Cowan University, Australia. She started her career as an Accounts Officer with Le Proton LIMA Exhibitions Sdn Bhd, Kuala Lumpur in 1997 and later joined Le Proton Exhibitions Sdn Bhd, Ipoh as Finance Executive in 2000. She moved on to work for Pricewaterhouse Coopers as Associate Auditor in 2002. In 2003, she became an Associate Consultant for Atarek Kamil and Co. and in 2004, she joined the Ministry of Youth and Sports as a Research Officer in the Minister's Office. She is an Associate Member of Certified Practicing Accountant ("CPA") Australia. She is currently serving as a State Assemblyman in Perak for the Tualang Sekah constituency.

All Directors do not have any family relationship with any director and/or major shareholders of GD Express Carrier Berhad nor any conflict of interest in any business arrangement involving GD Express Carrier Berhad and have no convictions for any offences other than traffic offences if any, within the past 10 years. All the directors above hold no other Directorship in public companies in Malaysia.

Strengthening Corporate Culture

The key to building a world class service-oriented organisation lies in the development of a strong corporate culture. We place great emphasis on teamwork, unity and understanding, as can be seen in our carefully-planned network conference and team-building workshops, as well as in our annual blood donation exercise. These are the ingredients that unite and help bind the diverse backgrounds of our employees to make them into the One GDEX team, capable of taking on the best in the world.



Senior Management

Standing from left to right

Poh Aik Szooi • Tiang Chen Chen • Lisa Chan • Sundelasagran a/l Suppiah • Hazlin Abu Hasan • Cheng Kee Leong • Wong Eng Su • Kwok Nguk Mooi • Stella J. Khan • Tung Sook Wah • Marmizahsalwa Ahmad Tarmizi

Senior Management Profile

Cheng Kee Leong
Head of Transport Division, aged 54

He obtained a Diploma in Automobile Engineering from Sagawa Automobile Institute, Japan in 1985. He has attended various management and professional courses both locally and overseas. He started his career as Technical Adviser in United Sagawa Sdn Bhd for two years from 1986 and 1987. He then moved on to various management positions in courier service industries, including senior manager, transport and operations for Nationwide Express Sdn Bhd and MBJ Co-loaders. He joined GD Express Sdn Bhd in February 2002 and his responsibilities cover the set-up, planning and implementation of proper control measures in vehicle operations.

Tiang Chen Chen
Head of Network Development Unit, aged 39

She started her career as Accounts Assistant with See Hoy Chan Sdn Bhd in 1993 and moved on to Ching and Associates as Senior Audit Executive in 1995. She later joined OSK Securities Bhd as Institutional Trader in 1998 before joining GD Express Sdn Bhd in 2000 as a management trainee. Over a four-year period, she held various positions in the company before being promoted to the Head of Network Development where she is responsible for the implementation of plans for network expansion and development and also supervising compliance with network policies and standards.

Wong Eng Su
Head of Customer Support HQ, aged 38

He graduated with a Bachelor of Business (Human Resource Management/Economics) from the University of Charles Stuart, Australia. Upon graduation, he joined A'Famosa Resort Hotel as Sales Coordinator and Executive. He joined GD Express Sdn Bhd in 2000 as Sales Executive and subsequently as Internal Control Audit and Coordination Executive before assuming his present position. He is responsible for the full compliance of sales and credit policies and standards for the entire network.

Lisa Chan
Head of Corporate Support HQ, aged 51

She holds a Diploma in Private Secretaryship from the Bedford Secretarial College. She started her career as an Administrative Officer with the Town Planning Unit of the District Council of Johore in 1979 and moved on to work with several other companies as Sales Secretary and Administrative Secretary. In 1990, she joined Nationwide Express as Confidential Secretary to the Chief General Manager. From 1991 to 1995, she joined Federal Express Malaysia as Executive Assistant to the Managing Director and later as Regional Executive Assistant to the Vice President of Federal Express Corporation in Singapore. She joined GD Express Sdn Bhd in 1997 as Executive Assistant to the Managing Director before assuming her present position. She oversees the corporate secretarial work relating to regulatory and statutory matters, and board of directors. She also handles public relations and administrative duties of the Group.

Kwok Nguk Mooi
Head of Quality Assurance, aged 35

She has an International Higher Diploma in Computer Studies from Informatics College. She started her career as EDP Officer with Swiss-Garden Resort Damai Laut in 1997. She later joined GD Express Sdn Bhd in 2001 as Senior Finance Executive. Over a five-year period, she held the positions of Assistant Manager and later as Manager in the Billing Department before assuming her present position. She is responsible for the full compliance of the company's policies & procedures.

Sundelasagran a/l Suppiah
Head of Transshipment Hub Division, aged 49

He has a Diploma in Business Management from Tafe College. He started his career as Quality Controller with JG Containers in 1977. In 1984, he joined Furukawa Electric Cable also as Quality Controller. He then moved to Nationwide Express Courier Services in 1986 as Operations Executive. He later joined GD Express Sdn Bhd in 2002 where he is responsible for the full transhipment activities of documents and parcels.

Tung Sook Wah
Chief Financial Officer, aged 43

She is a fellow member of Chartered Association of Certified Accountants UK and is also a member of Malaysia Institute of Accountants (MIA), Malaysia. She has a total of 17 years of working experience in accounting, auditing, taxation and management consultancy. She started her career as External Auditor with Messrs KPMG Peat Marwick in 1992 and moved on to the commercial sector two years later. Prior to joining GDEX, she was a director in JPK Holdings Berhad. She relinquished this position in November 2008. She joined GD Express Sdn Bhd as Head of Finance in May 2006, taking charge of the overall accounting and financial management of the Group.

Hazlin Abu Hasan
Head of Courier Division, aged 36

He started his career as transport contractor for National Panasonic, Likom and Ranger Communication in 1992. He later joined GD Express Sdn Bhd in 2000 as van driver. Over a seven-year period, he held the positions of Supervisor, Head of Operations at Headquarters, Regional Manager for both the Central Region and Sarawak Region before assuming his present position in July 2007. Encik Hazlin is responsible for the effective, efficient and smooth running of the ground operations and stations of the GD Express network.

Marmizahsalwa Ahmad Tarmizi
Head of Domestic, Public Relations and Communications, aged 28

She graduated with a Vice-Chancellor Award in Bachelor of Business Administration (International Business) First Class, from University Technology MARA. She is a GD Express scholar. Upon her graduation in 2005, she joined GD Express Sdn Bhd as an Executive of Corporate Planning & Development. Over a one-year period, she held the position of Customer Service Manager before assuming her present position in August 2008. She is responsible for promoting and maintaining good industrial and public relations as well as ensuring effective communication between management and staff.

Stella J. Khan
Head of Brand Development & Marketing and Head of Business Development, aged 36

She holds a Diploma in Private Secretaryship (PSC) from Stamford Ladies College and Diploma in Executive Secretaryship (DES) from Stamford College. She started her secretarial career in the hotel industry and later joined a few corporate companies. She later moved to GD Express Sdn Bhd in 2001 as a Senior Officer in the Sales Support Department. Before assuming her present position, she was the Head of Sales Support Department. She is responsible for the implementation of the company's strategy in relation to market positioning and brand enhancement.

Poh Aik Szooi
Head of Logistics Division, aged 33

He graduated with a Bachelor of Hospitality Management from the University of Glasgow Caledonian, UK. Upon his graduation, he joined DOME Café as Café Supervisor. In 2002, he joined GD Express Sdn Bhd as Personal Assistant to the Head of Courier Division. He was later assigned to head the Customer Service Department before moving on to be the Deputy Head of Courier Division. He was entrusted to set-up the Customer Care Centre before assuming his present role. He is responsible for the effective implementation of one-stop logistics solutions and bulk storage services.

Corporate Information

Company Secretaries
Wong Wei Fong (MAICSA 7006751)
Lim Lee Kuan (MAICSA 7017753)

Registered Office
Level 18, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03 2264 8888
Fax : 03 2282 2733

Corporate Head Office
19, Jalan Tandang
46050 Petaling Jaya
Selangor Darul Ehsan
Tel : 03 7787 2222
Fax : 03 7787 6686

Share Registrar
Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03 2264 3883
Fax : 03 2282 1886

Auditors
Deloitte KassimChan (AF0080)
Chartered Accountants
Level 19, Uptown 1, 1 Jalan SS21/58
Damansara Uptown, 47400 Petaling Jaya
Tel : 03 7723 6500
Fax : 03 7726 3986

Advocates & Solicitors
Lee & May
Advocates & Solicitors
B-12-7, Unit 7, 12th Floor, Block B
Megan Avenue II, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel : 03 2163 3816
Fax : 03 2161 1816

Principal Banker
Malayan Banking Berhad (3813-K)
11, Jalan 51A/222
46100 Petaling Jaya
Tel : 03 7958 4103
Fax : 03 7956 2860

Sponsor
OSK Investment Bank Berhad (14152-V)
19th Floor, Plaza OSK
Jalan Ampang, 50450 Kuala Lumpur
Tel : 03 2333 8333
Fax : 03 2175 3217

Stock Exchange Listing
ACE Market of Bursa Malaysia
Securities Berhad

Investors' Information
Stock Name : GDEX
Stock Code : 0078

The Importance of Corporate Governance

The Board of Directors ("the Board") of GD Express Carrier Berhad ("GDEX" or "the Company") is committed to the principles and the best practices of corporate governance as set out in the Malaysian Code on Corporate Governance ("the Code"), in order to meet the premium standard of corporate governance as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and financial performance of the Group.

The Company continues to apply the key principles of the Malaysian Code on Corporate Governance with an objective to maintain the promulgated standards of transparency, accountability and integrity.

The Board is pleased to outline the key principles and best practices of corporate governance adopted by the Board.

1. Board of Directors

1.1 Role and Responsibilities

The Board is the ultimate executive level of GDEX Group ("the Group"). It resolves key business matters and corporate policies, except for those reserved for shareholders as provided in the Articles of Association in accordance with the Companies Act, 1965 and other relevant regulations.

The Board is primarily responsible for setting strategic business directions, overseeing the Group's business conduct and affairs, developing shareholders and investors relations, risk management, reviewing the system of internal control and managing succession planning.

The Board takes full responsibility for the performance of GDEX Group. The Board has a schedule of matters reserved specifically for its decision and these includes approval of annual budget and operating plan, capital expenditure, major acquisition and divestment, investments and fundamental corporate policies; in particular on corporate governance, financial matters and major compliance matters. The Board reviews past business results and initiates necessary corrective actions. The Board also approves all appointments of directors to the Board and key executive appointments; and monitors and reviews executive succession planning.

The Board has delegated specific responsibilities to 2 sub-committees namely the Audit Committee and the Combined Nomination and Remuneration Committee, which were established with specific terms of reference. These Committees have the authority to examine pertinent matters within their terms of reference and is responsible for reporting to the Board on issues together with their recommendations. The ultimate responsibility for final decision on all matters, however, lies with the entire Board.

1.2 Board Composition and Independence

The Board consists of seven (7) members, comprising of :

- One Independent Non- Executive Chairman
- One Executive Director and Executive Deputy Chairman
- One Executive Director and Chief Executive Officer
- Two Non-Independent Non-Executive Directors
- Two Independent Non-Executive Directors

The Board composition complies with Rule 15.02 of Bursa Malaysia Securities Berhad's ("Bursa Securities") Listing Requirements for ACE Market which requires that at least two directors or 1/3rd of the board of directors, whichever is the higher, are Independent Directors. All the Independent Directors are independent of management and are free from any relationship that could materially interfere with their judgement and decision.

1.3 Board Balance and Effectiveness

An effective and experienced Board comprising members with a wide range of skills, knowledge and experience necessary to govern GDEX Group. This includes international and regional operational experience, understanding of economics of the sector in which GDEX operates and knowledge of world capital markets.

A brief profile of each of the Directors is presented on pages 19 to 21 of the Annual Report.

The key functions of the Chairman, apart from conducting meetings of the Board and shareholders, include facilitating the setting of business directions and strategies of GDEX Group, ensuring all Directors are properly briefed during Board discussions and shareholders are adequately informed of subject matters where their approvals are required.

The Executive Deputy Chairman and Chief Executive Officer in particular is responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies. The Executive Directors contribute significantly in corporate policies and strategies, performance monitoring, allocation of resources as well as improving corporate governance and internal controls, using their intimate knowledge and understanding of the business and industry.

Balance in the Board is achieved and maintained where the composition of the members of the Board are professionals and entrepreneurs, with the mix of industrial knowledge and broad business and commercial experience. Such balance enables the Board to provide effective leadership in all aspects, as well as maintaining the premium standards of governance and integrity in making decision relating to strategy, performance, internal control, investors' relation and human resource management.

1.4 Board Meetings

During the financial year ended 30 June 2009, the Board of Directors met five (5) times, which are as follows:-

- 19 August 2008
- 23 October 2008
- 17 November 2008
- 10 February 2009
- 21 May 2009

The attendance of the Directors at Board meetings are shown in the table below:-

	Directors	Board Meeting Attended	%
(i)	Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	5/5	100
(ii)	Teong Teck Lean	5/5	100
(iii)	Leong Chee Tong	5/5	100
(iv)	Lau Wing Tat	5/5	100
(v)	Kong Hwai Ming	4/5	80
(vi)	YB Nolee Ashilin Binti Mohammed Radzi	3/5	60
(vii)	Liew Heng Heng	4/5	80

All meetings were held at the Conference Room of the Company at No. 19, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The Board is scheduled to meet at least four times a year, at quarterly intervals, with additional meetings convened as necessary. The Chairman, with the assistance of Management and the Company Secretary, is responsible for setting the agenda of Board meetings.

1.5 Appointments to the Board

The Board through the Combined Nomination and Remuneration Committee believes that the current composition of the Board brings the required mix of skills and core competencies required for the Board to discharge its duties effectively. However, the Board, shall, with the assistance of the Combined Nomination and Remuneration Committee, look into the required mix of skills of the Board from time to time in order to identify candidate with the qualifications and experience who will further complement the current Board and assist in managing or steering GDEX Group effectively. The Board continuously reviews its size and composition, with particular consideration on its impact on the effective functioning of the Board.

The Board appoints its members through a formal and transparent selection process. This process has been reviewed, approved and adopted by the Board. The decision on appointment is the responsibility of the full Board after considering the recommendation of the Nomination and Remuneration Committee.

The Company Secretary is responsible for ensuring that all appointments are properly made, and that all legal and regulatory obligations are met.

1.6 Re-election of Directors

In accordance with the Company's Articles of Association, at least one-third (1/3) of the Directors or if the number is not three (3) or a multiple of three (3) then the nearest one-third (1/3) shall retire from office at each Annual General Meeting. All Directors shall retire from office once at least every three (3) years but shall be eligible for re-election. Directors who are appointed by the Board during the financial year are subject to re-election by the shareholders at the next Annual General Meeting following their appointments. This provides an opportunity for shareholders to review and approve their tenure in office.

To assist shareholders in their decision, sufficient information such as personal profile, attendance at meetings and their shareholdings in the Company for each Directors standing for election are furnished in the Annual Report.

1.7 Board Committees

The Board has established the following Committees, which operate within defined terms of reference to assist the Board in the execution of specific responsibilities:

1.7.1 Audit Committee

The Audit Committee reviews issues of accounting policy, financial reporting of the GDEX Group, monitors the work and effectiveness of the internal audit function and ensures an objective and professional relationship is maintained with the external auditors. The Committee has full access to auditors, both internal and external, who, in turn, have access at all times to the Chairman of the Committee.

The composition, duties and the details of meetings of the Audit Committee are set out in the Audit Committee Report on pages 40 to 45 of the Annual Report.

1.7.2 Combined Nomination and Remuneration Committee

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise exclusively of non-executive Directors, majority of whom are independent.

The Committee shall consist of at least three members.

The Combined Nomination and Remuneration Committee were formed on 10 May 2005 to carry out the following functions:

- To regularly review the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary.
- To review and recommend new nominees for appointment to the Board of Directors when deem necessary.
- To assess the performance of Directors on an on-going basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.
- To recommend to the Board, Directors to fill the seats on Board Committees.
- To review annually the Board's mix of skills and experience and other qualities including core competencies which non-executive Directors should bring to the Board.
- To recommend to the Board for continuation (or not) in service of Executive Director(s) and Directors who are due for retirement by rotation.
- To orientate and educate new Directors on the nature of business, the corporate strategy, current issues within the Group, the expectations of the Group concerning input from the Directors and the general responsibilities of Directors.
- To recommend to the Board the framework of Executive Directors' remuneration package.
- To recommend to the Board any performance related pay schemes for Executive Directors.
- To review Executive Directors' scope of service contracts.
- To consider the appointment of the advisers or consultants as it deems necessary to fulfill its functions
- To act in line with the directions of the Board.

Members of the Combined Nomination and Remuneration Committee, comprising exclusively of Non-Executive Directors whom a majority of them are independent, are as follows:

	Name	Designation
Chairman:	Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	Independent Non-Executive Chairman
Vice Chairman:	Kong Hwai Ming	Non-Independent Non-Executive Director
Members:	Liew Heng Heng	Independent Non-Executive Director
	Lau Wing Tat	Non-Independent Non-Executive Director
	YB Nolee Ashilin Binti Mohammed Radzi	Independent Non-Executive Director

1.8 Supply of Information

The Chairman ensures that all Directors have unrestricted access to timely and accurate information in the furtherance of their duties. Board papers are distributed in advance to enable Directors to have sufficient time to review the Board papers and to obtain further explanation or clarification to facilitate the decision-making process and the meaningful discharge of their duties. All proceedings of Board meetings are minuted and signed by the Chairman of the meeting.

Every Director has unhindered access to the advice and services of the Secretary who is responsible for ensuring Board meeting procedures are followed and that applicable rules and regulations are complied with, and if so required, may seek independent advice, at the Company's expense, in furtherance of his duties.

1.9 Directors' Training

All the Directors of the Company have attended the Mandatory Accreditation Programme conducted by BURSATRA Sdn Bhd within the stipulated timeframe required in the Listing Requirements.

The Directors possess the commitment to quality, and to create value by being relevant at all times, consistent with evolving changes and challenges in the business environment. The Directors, in this connection, have participated in and benefited from numerous conferences, seminars and training programmes on areas pertinent to the enhancement of their roles and responsibilities as Directors of a public listed company.

Conferences, seminars and training programmes attended by Directors during the financial year under review are as follows :

- Leading Teams In Action
- Red Flags And Landmines in Financial Accounts
- Corporate Governance Guide – Towards Boardroom Excellence
- Communication In The Information Age
- New Framework For Listings And Fund Raising
- Non-Executive Director Development Series : Is It Worth The Risk?
- Governance Expectations Of International Fund Managers
- Company Secretary's Role Towards Governance
- Raising The Bar For Corporate Directors Toward Global Competitiveness
- Best Fitting Your Best Talent Workshop

The Board encourages its Directors to attend talks, workshops, seminars and conferences to update and enhance their skills, and to assist them in discharging their responsibilities towards corporate governance, operational and regulatory issues.

2. Directors' Remuneration

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to assist in managing the Group effectively.

The aggregate remuneration of the Directors from the Company and its subsidiaries for the financial year ended 30 June 2009 categorised into appropriate components are as follows:

	Executive Directors RM	Non-Executive Directors RM
Remuneration		
- Salaries and other emoluments	455,180	23,300
- Defined contribution plan (EPF)	54,600	–
- Fees	–	139,200
	509,780	162,500

The number of Directors whose remuneration falls in each successive bands of RM50,000 are as follows:

	Number of Directors	
Range of Remuneration	**Executive Directors**	**Non-Executive Directors**
Below RM50,000	–	4
RM 50,001 – RM100,000	–	1
RM200,001 – RM250,000	1	–
RM250,001 – RM300,000	1	–

3. Investors Relations & Shareholders Communication

3.1 Investor Relations

The Board acknowledges the need for shareholders to be informed on all key issues and major development affecting the Group. In addition to various announcements made during the year, the timely release of financial results on a quarterly basis provides shareholders with an overview of GDEX Group's performance and operations.

The Board will use the Annual General Meeting as the primary channel of communication with its shareholders. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Members of the Board as well as auditors of the Company will be present to answer questions raised at the meeting.

Shareholders can access the Company's website via www.gdexpress.com for further information of the Group's operations.

3.2 Policy

The Company has a Corporate Disclosure Policy to enable the Board to communicate effectively with its shareholders, major investors, other stakeholders and the public generally with the intention of giving them a clear picture of GDEX Group's performance and position.

The Board has appointed Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid as the Senior Independent Non-Executive Director, to whom all queries and concerns may be conveyed, or when it is inappropriate for the concerns to be dealt with by the Executive Directors.

The investors and shareholders are provided with the necessary and relevant information pertaining to the major developments of the Group on a timely basis through Annual Reports, press releases and various disclosures and announcements made to the Bursa Securities including the quarterly results and annual results.

Corporate Disclosure Policy and Procedures (CDPP)

On 19 August 2005 the Board of Directors of GDEX adopted the CDPP to provide accurate, clear and complete, disclosure of all material information on a timely manner, in order to keep shareholders and the investing public informed about the company's operations.

Objectives of CDPP

- To raise awareness and provide guidance to management and employees on disclosure requirements and practices
- To provide guidance and structure in disseminating corporate information to, and in dealing with, investors, analysts, media and the investing public.
- To ensure compliance with legal and regulatory requirements on disclosure of material information.

Scope and application of the CDPP

- To provide guidance in the determination and dissemination of material information, the circumstances under which the confidentiality of information will be maintained and restrictions on employee trading.

- Applicable to directors, officers, managers and other interested parties including substantial shareholders, advisers, accountants, bankers and stockbrokers of the company.

Accountability

- The Board is accountable to fulfill all disclosure requirements and may delegate this task to the Corporate Disclosure Unit.

Corporate Disclosure Committee (CDC)

- Functions and responsibilities:
  (i) maintains awareness and understanding of the disclosure rules and guidelines.
  (ii) determines the materiality of information within the context of the company's overall business affairs, and if so, ensures the procedure outline in the CDPP are fully adhered.
  (iii) develops, implements, monitors compliance and regularly reviews the CDPP

- Membership:
  The members shall consist of senior management such as the Chief Executive Officer, Head of Corporate Compliance and Disclosure Unit and Head of Corporate Planning and Development.

Corporate Disclosure Manager (CDM)

- The CDM shall be appointed by the Board and the person so appointed shall hold office until such time the Board appoints another.

- Functions and responsibilities of the CDM shall include:
  (i) oversees and coordinates the disclosure of information to the stock exchange, analysts, brokers, shareholders, media and the public.
  (ii) ensures compliance with the continuous disclosure requirements.
  (iii) educates directors and staff on the CDPP.

Designated Spokespersons

- The Designated spokespersons shall include the Chairman and Chief Executive Officer or any other suitable person appointed by the Board.

- The spokespersons may designate others to speak on behalf of the company on specific business issues to facilitate communication with the investment community or the media.

- Employees are not to respond to inquiries from the investment community or the media unless specifically asked to do so by an authorized spokesperson. All such queries shall be referred to the CDM.

3.3 Annual General Meeting

Notice of the Annual General Meeting and related papers are dispatched to shareholders at least twenty one (21) days before the meeting as prescribed under the Listing Requirements of Bursa Securities and the Company's Articles of Association.

4. Accountability and Audit

4.1 Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of GDEX Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of results to shareholders as well as the Chairman's statement in the Annual Report.

The Audit Committee assists the Board in overseeing GDEX Group's financial reporting processes and the accuracy, adequacy and completeness of its financial reporting.

4.2 Internal Control

The Directors acknowledge their responsibilities for the internal control system in GDEX Group, covering not only financial controls but also controls relating to operational, compliance and risk management. The GDEX Group's Internal Control Statement is set out on pages 46 to 48 of the Annual Report.

4.3 Relationship with Auditors

The Company's external auditors continued to report to shareholders of the Company on their findings which are included as part of the Company's financial reports with respect to each year's audit on the statutory financial statements. In doing so, the Company has established a formal and transparent arrangement with the auditors to meet their professional requirements. In compliance with the Amended Code on Corporate Governance, the Audit Committee has met up with the external auditors twice during the financial year, without the presence of any executive Board member and management.

The role of the Audit Committee in relation to the external auditors is set out in the Audit Committee Report on pages 40 to 45 of the Annual Report.

4.4 Compliance Statement

The Group has the intention to comply with all best practices set out in the Malaysian Code on Corporate Governance. The only area of non-compliance with the Code is the recommended disclosure of details of the remuneration of each Director. At this point, the Board of Directors of the Company is of the view that disclosure of the remuneration bands of the Directors of the Company is sufficient to meet the objectives of the Code.

4.5 Directors' Responsibility Statement in Respect of the Preparation of the Annual Audited Financial Statements

The Directors are required under Guidance Notes 2, Part V, paragraph 2.14, of the Listing Requirements to issue a statement explaining their responsibility for preparing the annual audited financial statements.

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of GDEX Group and of the Company as at the financial year end and of the results and cash flows of GDEX Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements of GDEX for the financial year ended 30 June 2009 on pages 50 to 96 of the printed version of this Annual Report, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Directors also consider that all applicable approved accounting standards in Malaysia have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company keeps proper accounting records, which disclose the financial position of the Company and comply with the provisions of the Companies Act, 1965.

The Directors are also responsible for taking such steps that are necessary to safeguard the assets of GDEX Group and to prevent and detect fraud and other irregularities.

The auditors' responsibilities are stated in their report to the shareholders on pages 56 to 57.

Statement made in accordance with the resolution of the Board of Directors dated 28 October 2009.

Dato' Capt. Ahmad Sufian@Qurnain bin Abdul Rashid
Chairman

ADDITIONAL COMPLIANCE INFORMATION

1. Material Contracts

For the financial year ended 30 June 2009, there were no material contracts entered into by the Company and its subsidiary companies with Directors and / or substantial shareholders, either will subsisting at the end of the financial year, or which were entered into since the end of previous financial year.

2. Recurrent Related Party Transaction of Revenue or Trading Nature

Details of the recurrent related party transactions made during the financial year ended 30 June 2009 pursuant to the Shareholders' Mandate obtained by the Group at the Annual General Meeting held on 4 December 2008 are as follows :-

Nature of Transaction	Subsidiary involved	Related Company	Interested Directors/ Substantial Shareholders/ Persons Connected to Directors or Substantial Shareholders [a]	Actual Value for the year ended 30 June 2009 (RM)
Provision of software update and maintenance necessary for the operations of the Group	GDTech	GDX	Teong Teck Lean Leong Chee Tong	294,000
Provision of software training.	GDSB	GDX	Teong Teck Lean Leong Chee Tong	585,000

Notes:-

(1) GDTech, GD Technosystem Sdn Bhd, a wholly-owned subsidiary of the Company.

(2) GDSB, GD Express Sdn Bhd, a wholly-owned subsidiary of the Company.

(3) GDX, GDX Private Limited, a company incorporated in Singapore, where Mr Teong Teck Lean and Mr Leong Chee Tong are the common directors and substantial shareholders.

The above Recurrent Related Party Transactions were conducted on terms not more favourable to the related parties than those generally available to the public at arm's length and are not to the detriment of minority interest of the Company.

3. Share Buy-Back

   The Company does not have a scheme to buy-back its own shares

4. Options, Warrants or Convertible Securities

   The Company does not have any options, warrants or convertible securities in issue or exercised during the financial year ended 30 June 2009.

5 Depository Receipt Programme

   The Company did not sponsor any depository receipt programme for the financial year ended 30 June 2009.

6 Imposition of Sanctions and / or Penalties

   The Company is not aware of any sanctions and / or penalties imposed on the Company and / or its subsidiary companies, Directors or Management by the relevant regulatory bodies.

7 Non-Audit Fees

   For the financial year ended 30 June 2009, the Group paid RM4,000 to the external auditor for review of internal control.

8 Profit Estimate, Forecast or Projections

   There were no variance of more than ten percent (10%) between the results for the financial year and the unaudited results previously announced. The Company did not make any release on the profit estimate, forecast or projections for the financial year ended 30 June 2009.

9 Profit Guarantee

   During the financial year ended 30 June 2009, there were no profit guarantees given by the Company.

10 Revaluation Policy on Landed Properties

   As disclosed in Note 11 to the financial statements, the Group had revalued its leasehold building included under property, plant and equipment based on an independent valuation report. The surplus arising from revaluation has been credited to revaluation reserve account as disclosed in Note 19 to the financial statements.

   The revaluation policy on landed properties classified as investment properties are as disclosed in Note 3 to the financial statements.

11 Utilisation of Proceeds

   During the financial year ended 30 June 2009, there were no new issue of shares and no proceeds derived thereto.

12. Employees' Share Option Scheme

   The Company does not have an Employees' Share Option Scheme.

Audit Committee Report

The Board of Directors of GD Express Carrier Berhad ("GDEX" or "the Company") is pleased to present the report of the Audit Committee for the financial year ended 30 June 2009.

Membership

During the financial year, the Audit Committee comprises four (4) members, a majority of whom are Independent Directors and all is Non-Executive Directors.

	Name	Designation
(i)	Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	Independent Non-Executive Director (Chairman)
(ii)	Kong Hwai Ming	Non-Independent Non-Executive Director (Member)
(iii)	Liew Heng Heng	Independent Non-Executive Director (Member)
(iv)	YB Nolee Ashilin binti Mohammed Radzi	Independent Non-Executive Director (Member)

Terms of Reference

The following terms of reference of Audit Committee were adopted :

1. Composition of Audit Committee

The Audit Committee ("the Committee") shall be appointed by the Board of Directors ("the Board") from amongst the Directors and shall consist of not less than three members. All the Committee Members must be non-executive directors, with a majority of them being independent directors.

In this respect, the Board adopts the definition of "Independent Director" as defined under the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

1.1 Retirement and resignation

If a member of the Audit Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three (3) months of the event appoint such number of new members as may be required to fill the vacancy.

1.2 Chairman

The member of the Committee shall elect a Chairman from among themselves who shall be an Independent Director. The Chairman of the Committee should engage on a continuous basis with senior management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

2. Membership

All the Committee members must be financially literate, with at least one member of the Committee:-

- Must be a member of the Malaysian Institute of Accountants; or
- If he is not a member of the Malaysian Institute of Accountants, the member must have at least 3 years' working experience and:-

  (a) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
  (b) he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or

- Must have fulfilled such other requirements as prescribed or approved by Bursa Securities.

An Alternate Director must not be appointed as member of the Committee.

3. Terms of Membership

Members of the Committee shall be appointed for an initial term of three (3) years after which they will be eligible for re-appointment.

The appointment and performance of the members shall be subject to review by the Board at least once every three (3) years to determine whether such members have carried out their duties in accordance with these terms of reference.

4. Authority

The Committee is authorised by the Board to investigate and report any specific matters of the Company and its subsidiaries within its terms of reference or otherwise directed by the Board.

It shall, in accordance with a procedure to be determined by the Board of Directors and at the expense of the Company,

i. authorise to investigate any matter within its terms of reference. All employees shall be directed to cooperate as requested by members of the Audit Committee;

ii. have full and unlimited/unrestricted access to all information and documents/ resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and Group;

iii. obtain, at the expense of the Company, other independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary;

iv. be able to convene meetings with the external auditors, excluding the attendance of the executive members of the Audit Committee, whenever deemed necessary.

v. be able to make relevant reports when necessary to the relevant authorities if a breach of the Listing Requirements occurred.

5. Meetings and Minutes

The Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties.

In the absence of the Chairman, the other Independent Director shall be the Chairman for that meeting.

In addition to the Committee members, the meetings will normally be attended by the representatives of the departments in the Company and of the external auditors as and when required. Representatives of the external auditors are to be in attendance at meeting where matters relating to the audit of the statutory accounts and/or external auditors are to be discussed. At least twice a year, the Committee shall meet with the external auditors without the presence of any executive Board member and management.

The Committee may invite any person to be in attendance to assist it in its deliberations.

A quorum shall consist of a majority of members who are Independent Directors and shall not be less than two.

The decision of the Committee shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote, provided that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question in issue, the Chairman shall not have a casting vote.

The Committee shall be reporting to the full Board from time to time its recommendation for consideration and implementation and the actual decision shall be the responsibility of the Board of Director after considering the recommendation of the Committee. The Committee itself shall have no executive power with respect to those findings and recommendations.

The Company Secretary shall act as Secretary of the Committee and shall be responsible for drawing up the agenda with the concurrence of the Chairman and circulating it, supported by explanatory documentation to Committee members prior to each meeting.

The Secretary shall also be responsible for recording the proceedings of the Committee. Minutes of each meeting shall be kept and distributed to each member of the Committee and also to the other members of the Board of Directors, when the Committee deems necessary.

The internal auditors have the right to appear and be heard at any meeting of the Committee and are recommended to attend each Committee meeting.

Upon the request of the internal auditors and/or external auditors, the Committee Chairman shall also convene a meeting of the Committee to consider any matter the auditor(s) believes should be brought to the attention of the Board of Directors or the shareholders.

Where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of Bursa Securities' requirements, the Committee must promptly report such matter to Bursa Securities.

6. Duties and Responsibilities

The duties and responsibilities of the Committee should include the following:-

- To consider the nomination and appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
- To discuss with the external auditor before the audit commences, the nature and scope of the audit, the audit plans and ensure coordination where more than one audit firm is involved;
- To review with the external auditor, his evaluation of the system of internal control;
- To review with the external auditor, his audit report;
- To review the quarterly results and year-end financial statements of the Group, prior to the approval by the Board of Directors, focusing particularly on:-
  - any changes in or implementation of major accounting policies and practices;
  - significant adjustments arising from the audit;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements;
- To discuss problems and reservations arising from the interim and final audits, and any matter the Auditor may wish to discuss;
- To review the External Auditor's management letter and management's response;
- To consider any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises question of management integrity;
- To consider the major findings of internal investigations and management's response;
- To review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- To review the internal audit programme, processes and results of the internal audit programme, processes and investigation undertaken and where necessary ensure that appropriate actions taken on the recommendations of the internal audit function;
- To review any appraisal or assessment on the performance of members of the internal audit functions;
- To approve any appointment or termination of senior staff members of the internal audit function;
- To inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
- To consider other topics as defined by the Board of Directors;
- To verify the allocation of Employees' Share Option Scheme ("ESOS') in compliance with the criteria as stipulated in the by-laws of ESOS of the Company; and
- To review the assistance given by the employees of the Company to the external auditors.

Summary of Activities of the Audit Committee

During the financial year ended 30 June 2009, the Audit Committee met five (5) times on the following dates:-

- 19 August 2008
- 23 October 2008
- 17 November 2008
- 10 February 2009
- 21 May 2009

The attendance records of the Audit Committee Members are shown in the table below:-

	Members	No. of Meetings Attended Whilst in Office	%
(i)	Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	5/5	100
(ii)	Kong Hwai Ming	4/5	80
(iii)	Liew Heng Heng	4/5	80
(iv)	YB Nolee Ashilin binti Mohammed Radzi	3/5	60

All Audit Committee meetings were held at the Conference Room of the Company, at No. 19, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The activities of the Audit Committee include the following:-

1. Financial Reporting

(a) reviewed the quarterly unaudited financial results of the Group before recommending them for approval by the Board of Directors;

(b) reviewed the annual audited financial statements of GDEX Group with the external auditors prior to submission to the Board of Directors for their approval. The review was to ensure that the financial reporting and disclosures are in compliance with:
- Provisions of the Companies Act, 1965;
- Listing Requirements of Bursa Malaysia Securities Berhad;
- Applicable approved accounting standards in Malaysia, and
- Other legal and regulatory requirements.

In the review of the annual audited financial statements, the Audit Committee discussed with management and the external auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements.

2. Internal Audit

(a) reviewed the annual audit plan to ensure adequate scope and comprehensive coverage over the activities of GDEX Group;
(b) reviewed internal audit reports which were tabled during the year, the audit recommendations made and management's response to these recommendations;
(c) monitored the corrective actions on the outstanding audit issues to ensure that all the key risks and control lapses have been addressed.

3. External Audit

(a) reviewed with the external auditors:

- their audit plan, audit strategy and scope of work for the year;
- the results of the annual audit, their audit report and management letter together with management's response to the findings of the external auditors.

4. Related Party Transactions

Reviewed and considered any related party transactions that may or have arisen within the Company or the Group.

During the financial year ended 30 June 2009, no ESOS was granted to the eligible employees. As such, the Audit Committee is not required to verify the basis of allocation in respect of ESOS.

Internal Audit Function

The Committee has established an internal audit department comprises of 2 personnel, 1 department head and 1 audit executive. Besides that, the Group also engaged the services of an external professional services firm to conduct review on the adequacy and effectiveness of the internal control system of the Group, and subsequently highlight findings and suggest recommendations for improvement.

During the year, the internal audit function assisted the Committee in discharging its duties and responsibilities by executing independent review on the adequacy and effectiveness of the risk management, internal control and governance process. Periodic activities were carried out to provide the Committee with reasonable assurance that such systems continued to operate satisfactorily and effectively.

The total cost incurred by the Internal Audit Department in relation to the conduct of the internal audit functions of the Group during the financial year ended 30 June 2009 amounted to RM192,472.

Summary of activities that were carried out by the internal audit function include:

1. Formulated annual audit plan that focuses on controls managing the principal risks of the Group. Audits are prioritized according to an assessment of the potential risk exposures.

2. Internal audit executed in accordance with the approved annual audit plan. During this financial year, the internal audit has audited the following business processes in 8 branches:
   (a) Cash Management
   (b) Delivery Management
   (c) Procurement
   (d) Fixed Asset Management
   (e) Management Information System

   These 8 branches include Melawati, Miri, Bintulu, Kuching, Terengganu, Port Klang, Batu Cave and Kota Kinabalu.

   Besides that, the internal audit has audited Shah Alam and Melawati branch on credit control procedure and controls relating to sales and marketing activities.

3. Reported on the results of internal audit reviews to the Committee on a periodic basis.

4. Followed-up on the implementation of audit recommendations and action plans agreed by the Management.

5. Ensured satisfactory actions taken to address previous internal audit findings.

The Board is pleased to disclose that there were no significant weaknesses identified that would have resulted in any material losses, contingencies or uncertainties to the GDEX Group which would require a separate disclosure in the financial statement.

Introduction

In line with the Malaysian Code on Corporate Governance that requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets, the Board of Directors ("Board") is pleased to provide this Statement of Internal Control pursuant to the Bursa Malaysia Securities Bhd Listing Requirements, which outlines the nature and scope of internal control of the Group.

Responsibility

The Board acknowledges that it has overall responsibility for the adequacy and integrity of the Group's systems of internal control including the review of its effectiveness. However, such internal control system is designed to manage the Group's risks within an acceptable risk profile, rather than eliminate the risk of failure to achieve the policies and business objectives of the Group. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has established an on-going process to identify, evaluate and manage the significant risks faced by the Group and this process includes updating the system of internal controls when there are changes to business environment or regulatory guidelines. The process is regularly reviewed by the Board and is generally in accordance with the guidance as contained in the publication – Statement on Internal Control : Guidance for Directors of Public Listed Companies.

The Board is of the view that the system of internal controls in place for the year under review and up to the date of issuance of the financial statements is sound and sufficient to safeguard the shareholders' investments, the interests of customers, regulators and employees, and the Group's assets. Notwithstanding this, the Board is vigilant and continues to review the effectiveness and adequacy of the systems of internal control, in view of the dynamic and changing business environment.

The management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

Key Features of the Group's Internal Control System

The Group's systems of internal control are designed and operated to support the identification and management of risks affecting the Group and the business environment in which it operates. As such, they are subject to continuous review due to changes in the business environment and the fruition of new risks emerging. The key features of the Group's system of internal control are as follows:

1. Control Environment

- o Organisation Structure and Authority

  The Group maintains an effective organisation structure with clear objectives, responsibilities, authority and segregation of duties. The authority levels are appropriately delegated with clear and proper documentation and approval from the Board.

- o Corporate Philosophy

  The Group's culture is guided by a set of philosophy, which includes core values, management principles, corporate and leadership qualities. All employees are also guided by a code of conduct, which is embedded in the Employee Handbook.

- o Policies and Procedures

  The Group maintains a set of documented systems, policies, procedures and practices to ensure compliance with internal controls and the relevant laws and regulations. These documented systems, policies, procedures and practices are continually updated, communicated and accessible to all employees. There are guidelines and authority limits imposed on executive directors and management within the Group in respect of the day-to-day operations, extension of credits, investments, acquisitions and disposals of assets.

- o Human Resource

  The Group maintains an effective staff recruitment, retention and rotation process to ensure that the people with integrity and the right skill and experience are employed for the function and operations of the Group. The Group has in place experienced and competent employees in areas of responsibility to support the effectiveness of the Group's system of internal control. The Group also provides relevant training to the employees to ensure continuous improvement in their competencies.

- o Work Plan and Budget

  All material business proposals are pre-evaluated by Management Committee in terms of their risk and viability from operational, financial and strategic direction standpoint, before escalating them to the Board for review and approval

  A comprehensive work plan and budgeting process is established requiring all key operating units to prepare work plan and budget annually. The final budgets are discussed and approved by the Board. Operating results are being closely monitored by management against budget and key performance indicators. Any significant variances identified will be investigated to provide corrective measurement accordingly.

2. Internal Audit Function

The review of the adequacy and integrity of the Group's internal control system is the delegated responsibility of the Audit Committee. On a periodic basis, the Audit Committee assesses the adequacy and integrity of the internal control system through review conducted by the internal auditors and management. Significant internal control matters that are brought to the attention of the Audit Committee will be highlighted to the Board. The system of internal control is based on a framework of regular management information, management supervision and a system of delegation and accountability. The effectiveness of the Group's internal controls is examined in detail by the internal audit function.

The Group has outsourced its internal audit function to Audex Governance Sdn Bhd, a globally affiliated internal audit service provider firm as part of its strategy to provide the Board with assurance on the adequacy and integrity of the system of internal control. The outsourced internal audit function focuses on the review of areas that are related to the risk management needs of the Group. Audits are carried out on all units and branches, the frequency of which is determined by the level of risk assessed, to provide an independent and objective report on operational and management activities of these units and branches. The areas of review are set out in a three-year internal audit plan that has been approved by the Audit Committee.

Where improvement opportunities are identified during internal audit reviews, recommendations are made and appropriate action plans are agreed with management. Results of periodic internal audit visits are tabled to the Audit Committee on a quarterly basis and follow-up visits are performed to track the implementation progress of agreed action plans.

During the period under review, nothing has come to the attention of the Board that would result in any material losses, contingencies or uncertainties that would warrant a separate disclosure in this annual report. Notwithstanding this, the Board will continue to embrace a risk and control conscious approach and maintain constant vigilance in order to meet its business objectives in the current changing and challenging business environment.

3. Risk Management Framework

The Board is committed in strengthening the Group's risk management framework and processes. Risk Management of individual operating units are delegated to the respective Executive Directors and Senior Management. In this regard, the Executive Directors and Senior Management are responsible for timely identification of the Group's risks of each business units and implementation of systems to manage these risks.

The Executive Directors, in turn will update the Board of any significant matters that will require the latter's attention via periodic Board and management meetings. Periodic management meetings are held to assess and monitor the Group's risk as well as discuss, deliberate and address matters associated with strategic, financial and operational facets of the Group.

4. Audit Committees

The Audit Committees of the Group review internal control issues identified by the internal auditor, the external auditors, regulatory authorities and management, and evaluate the adequacy and effectiveness of the risk management and internal control systems. They also review the internal audit functions with particular emphasis on the scope of audits and quality of internal audits. The minutes of the Audit Committee meetings are tabled to the Board every quarter. Further details of the activities undertaken by the Audit Committee are set out in the Audit Committee Report.

Review Of The Statement By External Auditors

The external auditors have reviewed this Statement on Internal Control for the inclusion in the annual report of the Group for the year ended 30 June 2009 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

Statement made in accordance with the resolution of the Board of Directors dated 28 October 2009.

Financial Highlights

	Group year ended 30 June 2009 RM'000	Group year ended 30 June 2008 RM'000	Group year ended 30 June 2007 RM'000	Group year ended 30 June 2006 RM'000	Proforma Group year ended 30 June 2005 RM'000
Revenue	75,093	68,080	57,365	45,866	37,932
Profit from operations	3,850	4,442	2,605	1,532	2,982
Profit before tax	3,561	4,364	2,558	1,724	5,280
Profit after tax	2,082	2,976	2,087	1,206	3,531
Return on revenue	3%	4%	4%	3%	9%
Profit attributable to ordinary equity holders	2,082	2,976	2,087	1,206	3,531
Net assets	38,944	38,282	34,757	32,690	31,686
Paid-up capital	25,719	25,719	25,719	25,719	20,575
Shareholders' equity	38,944	38,282	34,757	32,690	31,686
Share information (Ordinary shares of RM0.10 each)					
Number of shares in issue ('000)	257,186	257,186	257,186	257,186	205,749
Earnings per share (sen)	0.81	1.16	0.81	0.47	1.72
Net assets per share (RM)	0.15	0.15	0.14	0.13	0.15
Share price at end of financial year (RM)	0.440	0.615	0.970	0.825	0.980

Notes : 1 Assuming that GDEX Group had been in existence throughout the period under review.
2 In May 2006, there was a bonus issue of 51,437,208 new ordinary shares by capitalising RM5,143,721 from the share premium account.

Financial Statements

for the year ended 30 June 2009

Directors' Report

The directors of GD EXPRESS CARRIER BERHAD have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary companies are as disclosed in Note 15 to the Financial Statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit before tax	3,560,587	5,304,592
Income tax expense	(1,478,589)	(1,399,014)
Profit for the year	2,081,998	3,905,578

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

A final dividend of 5% comprising 0.5%, less 25% tax, amounting to RM96,446 and 4.5% single tier tax exempt dividend amounting to RM1,157,338 proposed in the previous year and dealt with in the previous directors' report was paid by the Company during the financial year.

The directors proposed a final dividend of 5% single tier tax exempt dividend and a special dividend of 5% single tier tax exempt dividend, in respect of the year ended 30 June 2009. The proposed dividend, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, has not been included as a liability in the Financial Statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the Financial Statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Teong Teck Lean
Leong Chee Tong
Lau Wing Tat
Liew Heng Heng
Kong Hwai Ming
Y. B. Nolee Ashilin binti Mohammed Radzi

In accordance with Article 104 of the Company's Articles of Association, Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid and Y.B. Nolee Ashilin binti Mohammed Radzi retire by rotation at the forthcoming Annual General Meeting of the Company and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM0.10 each			
	As of 1.7.2008	**Bought**	**Sold**	**As of 30.6.2009**
Shares in the Company				
Direct interest				
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	4,050,000	–	–	4,050,000
Teong Teck Lean	37,500	–	–	37,500
Leong Chee Tong	11,288,743	–	–	11,288,743
Lau Wing Tat	21,537,500	–	–	21,537,500
Liew Heng Heng	125,000	–	–	125,000
Kong Hwai Ming	9,413,050	–	–	9,413,050
Indirect interest				
Registered in the name of GD Express Holdings (M) Sdn. Bhd.				
Teong Teck Lean	83,801,496	–	–	83,801,496
Registered in the name of GD Holdings International Ltd.				
Teong Teck Lean	53,750,000	–	–	53,750,000
Registered in the name of Essem Capital Sdn. Bhd.				
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	2,500,000	–	–	2,500,000

By virtue of the above directors' interest in the shares of the Company, they are deemed to have beneficial interest in the shares of all the subsidiary companies to the extent the Company has an interest.

The other directors in office at the end of the financial year did not hold shares or had beneficial interest in the shares of the Company during and at the end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in the Financial Statements or the fixed salary of full-time employees of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions as disclosed in Note 17 to the Financial Statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

TEONG TECK LEAN

LEONG CHEE TONG

Kuala Lumpur,
28 October 2009

Independent Auditors' Report

to the members of GD Express Carrier Berhad

Report on the Financial Statements

We have audited the financial statements of **GD EXPRESS CARRIER BERHAD**, which comprise the balance sheets as of 30 June 2009 of the Group and of the Company and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 58 to 95.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2009 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;

(b) We have considered the accounts and auditors' reports of subsidiary companies of which we have not acted as auditors, as shown in Note 15 to the Financial Statements, being accounts that have been included in the financial statements of the Group;

(c) We are satisfied that the accounts of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and

(d) The auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

TEO SWEE CHUA
Partner - 2846/01/10 (J)
Chartered Accountant

28 October 2009

Income Statements

for the year ended 30th June, 2009

		The Group		The Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
Revenue	6	75,093,356	68,079,574	5,363,000	2,422,000
Direct costs - transportation	7	(16,725,192)	(16,670,948)	–	–
Staff costs	7	(36,401,064)	(30,404,463)	–	–
Other operating expenses	7	(12,345,910)	(11,591,545)	(332,920)	(573,499)
Depreciation of property, plant and equipment	11	(5,677,559)	(4,879,910)	–	–
Amortisation of prepaid lease payments	13	(93,517)	(90,242)	–	–
Finance costs	8	(654,947)	(671,376)	–	–
Other operating income	7	365,420	593,091	274,512	264,445
Profit before tax		3,560,587	4,364,181	5,304,592	2,112,946
Income tax expense	9	(1,478,589)	(1,388,582)	(1,399,014)	(593,395)
Profit for the year		2,081,998	2,975,599	3,905,578	1,519,551
Earnings per ordinary share					
Basic (sen)	10	0.81	1.16		

The accompanying Notes form an integral part of the Financial Statements.

Balance Sheets

as of 30th June, 2009

	Note	The Group		The Company	
		2009 RM	2008 RM	2009 RM	2008 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	16,455,080	17,547,055	–	–
Investment property	12	2,750,000	2,750,000	–	–
Prepaid lease payments	13	4,412,432	4,505,949	–	–
Goodwill on consolidation	14	137,141	137,141	–	–
Investment in subsidiary companies	15	–	–	17,069,406	17,069,406
Total Non-Current Assets		23,754,653	24,940,145	17,069,406	17,069,406
Current Assets					
Inventories - at cost		383,305	314,637	–	–
Trade receivables	16	16,135,299	18,166,249	–	–
Other receivables and prepaid expenses	16	2,137,343	3,458,280	10,458	28,750
Tax recoverable		114,436	122,210	101,936	116,075
Amount owing by a subsidiary company	17	–	–	9,755,924	7,000,599
Deposits with licensed banks		9,335,043	5,623,829	3,364,727	3,456,900
Cash and bank balances		1,949,918	528,397	73,619	27,618
Total Current Assets		30,055,344	28,213,602	13,306,664	10,629,942
Total Assets		53,809,997	53,153,747	30,376,070	27,699,348

(Forward)

	Note	The Group 2009 RM	The Group 2008 RM	The Company 2009 RM	The Company 2008 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	18	25,718,604	25,718,604	25,718,604	25,718,604
Reserves	19	13,225,676	12,563,440	4,497,486	1,845,692
Total Equity		38,944,280	38,282,044	30,216,090	27,564,296
Non-Current and Deferred Liabilities					
Hire-purchase payables - non-current portion	20	2,134,735	2,284,933	–	–
Borrowings (secured) - non-current portion	21	2,924,744	3,719,480	–	–
Provision for retirement benefits	22	245,798	–	–	–
Deferred tax liabilities	23	251,022	81,700	–	–
Total Non-Current and Deferred Liabilities		5,556,299	6,086,113	–	–
Current Liabilities					
Trade payables	24	3,153,224	2,571,065	–	–
Other payables and accrued expenses	24	3,156,672	2,415,137	159,980	135,052
Hire-purchase payables - current portion	20	2,714,260	2,864,344	–	–
Borrowings (secured) - current portion	21	268,594	520,643	–	–
Tax liabilities		16,668	414,401	–	–
Total Current Liabilities		9,309,418	8,785,590	159,980	135,052
Total Liabilities		14,865,717	14,871,703	159,980	135,052
Total Equity and Liabilities		53,809,997	53,153,747	30,376,070	27,699,348

The accompanying Notes form an integral part of the Financial Statements.

Statements of Changes in Equity

for the year ended 30th June, 2009

The Group	Note	Share capital RM	Non-Distributable Reserves Share premium RM	Translation reserve RM	Revaluation reserve RM	Distributable Reserve- Retained earnings RM	Total RM
As of 1 July 2007		25,718,604	618,070	(10,378)	–	8,430,918	34,757,214
Income/(Expense) recognised directly in equity:							
Translation reserve		–	–	(20,132)	–	–	(20,132)
Revaluation surplus		–	–	–	569,363	–	569,363
Profit for the year		–	–	–	–	2,975,599	2,975,599
Total recognised income/(expense)		–	–	(20,132)	569,363	2,975,599	3,524,830
As of 30 June 2008/ 1 July 2008		25,718,604	618,070	(30,510)	569,363	11,406,517	38,282,044
Income/(Expense) recognised directly in equity:							
Translation reserve		–	–	(25,978)	–	–	(25,978)
Deferred tax liabilities arising from revaluation of building	23	–	–	–	(140,000)	–	(140,000)
Profit for the year		–	–	–	–	2,081,998	2,081,998
Total recognised income/(expense)		–	–	(25,978)	(140,000)	2,081,998	1,916,020
Transfer to retained earnings		–	–	–	(11,821)	11,821	–
Dividends	25	–	–	–	–	(1,253,784)	(1,253,784)
As of 30 June 2009		25,718,604	618,070	(56,488)	417,542	12,246,552	38,944,280

The Company	Note	Share capital RM	Non-Distributable Reserve- Share premium RM	Distributable Reserve- Retained earnings/ (Accumulated loss) RM	Total RM
As of 1 July 2007		25,718,604	618,070	(291,929)	26,044,745
Total recognised income/(expense):					
Profit for the year		–	–	1,519,551	1,519,551
As of 30 June 2008/ 1 July 2008		25,718,604	618,070	1,227,622	27,564,296
Total recognised income/(expense):					
Profit for the year		–	–	3,905,578	3,905,578
Dividends	25	–	–	(1,253,784)	(1,253,784)
As of 30 June 2009		25,718,604	618,070	3,879,416	30,216,090

The accompanying Notes form an integral part of the Financial Statements.

Cash Flow Statements

for the year ended 30th June, 2009

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit for the year	2,081,998	2,975,599	3,905,578	1,519,551
Adjustments for:				
Depreciation of property, plant and equipment	5,677,559	4,879,910	–	–
Income tax expense recognised in income statements	1,478,589	1,388,582	1,399,014	593,395
Finance costs	654,947	671,376	–	–
Bad debts written off	273,063	513,635	–	–
Provision for retirement benefits	245,798	–	–	–
Amortisation of prepaid lease payments	93,517	90,242	–	–
Interest income	(198,960)	(143,969)	(94,512)	(84,445)
Gain on disposal of property, plant and equipment	(78,901)	(18,058)	–	–
Unrealised gain on foreign exchange	–	(29,589)	–	–
Impairment loss of investment in subsidiary companies	–	–	–	239,950
Gain on fair value adjustment of investment property	–	(289,504)	–	–
Dividend income	–	–	(5,363,000)	(2,422,000)
Operating Profit/(Loss) Before Working Capital Changes	10,227,610	10,038,224	(152,920)	(153,549)
(Increase)/Decrease in:				
Inventories	(68,668)	40,337	–	–
Trade receivables	1,757,887	(5,902,464)	–	–
Other receivables and prepaid expenses	1,320,937	779,365	18,292	(27,398)
Increase/(Decrease) in:				
Trade payables	582,159	(451,082)	–	–
Other payables and accrued expenses	741,535	278,106	24,928	11,852
Cash Generated From / (Used In) Operations	14,561,460	4,782,486	(109,700)	(169,095)
Income tax paid	(1,839,226)	(661,151)	(44,125)	(50,466)
Net Cash From/(Used In) Operating Activities	12,722,234	4,121,335	(153,825)	(219,561)

(Forward)

	Note	The Group		The Company	
		2009 RM	2008 RM	2009 RM	2008 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Increase in amount owing by a subsidiary company		–	–	(2,755,325)	(1,016,160)
Additions to property, plant and equipment (Note)		(1,468,881)	(2,598,949)	–	–
Additions to prepaid lease payments		–	(174,000)	–	–
Proceeds from disposal of property, plant and equipment		79,703	40,754	–	–
Interest received		198,960	143,969	94,512	84,445
Decrease in fixed deposits pledged with licensed bank		45,000	–	–	–
Dividends received		–	–	4,022,250	1,792,280
Net Cash (Used In)/From Investing Activities		(1,145,218)	(2,588,226)	1,361,437	860,565
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Repayment of Islamic debt facilities		(1,046,785)	(320,019)	–	–
Net Payments of hire-purchase payables		(3,413,643)	(2,647,596)	–	–
Finance costs paid		(654,947)	(671,376)	–	–
Dividends paid		(1,253,784)	–	(1,253,784)	–
Decrease in bank borrowings, excluding Islamic debt facilities		–	(673,200)	–	–
Proceed from Islamic debt facilities		–	3,500,000	–	–
Net Cash Used In Financing Activities		(6,369,159)	(812,191)	(1,253,784)	–
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		5,207,857	720,918	(46,172)	641,004
Effect of exchange differences		(30,122)	(41,602)	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		5,499,226	4,819,910	3,176,518	2,535,514
CASH AND CASH EQUIVALENTS AT END OF YEAR	26	10,676,961	5,499,226	3,130,346	3,176,518

Note: During the financial year, the Group acquired property, plant and equipment at an aggregate cost of RM4,582,242 (2008: RM5,887,337) of which RM3,113,361 (2008: RM3,288,388) was acquired under hire-purchase arrangements. Cash payments made by the Group for the acquisition of property, plant and equipment amounted to RM1,468,881 (2008: RM2,598,949).

The accompanying Notes form an integral part of the Financial Statements.

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary companies are as disclosed in Note 15.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

The Company's registered office is located at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

The Company's principal place of business is located at No 19, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 28 October 2009.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the provisions of the Companies Act, 1965 in Malaysia.

Standards and Interpretations Issued But Not Yet Effective

As of the date of issuance of the financial statements, the following FRSs and Issues Committee Interpretations ("IC Int.") that have been issued but not yet effective until future period are as follows:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations)
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements
FRS 123	Borrowing Costs (Revised)
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

Consequential amendments were also made to various FRSs as a result of these new/revised FRSs.

Except for FRS 8 which is effective for annual financial statements for periods beginning on or after 1 July 2009, the new/revised FRSs, amendments to FRSs and IC Int. are effective for annual periods beginning on or after 1 January 2010.

FRS 1, FRS 2, FRS 4, FRS 8, FRS123, IC Int. 9, IC Int. 11 and IC Int. 14 are not expected to be relevant to the operations of the Group and of the Company. The directors anticipate that the other FRSs, amendments to FRSs and IC Int. will be adopted in the annual financial statements of the Group and of the Company for the year commencing 1 July 2010 and that the adoption of these new/revised FRS, amendments to FRSs and IC Int. will have no material impact on the financial statements of the Group and of the Company in the period of initial application except for the following:

FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group's and the Company's financial position and performance, the nature and extent of risks arising from financial instruments, and the objectives, policies and processes for managing capital.

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemption given in the respective FRSs. The initial application of the remaining standards (and its consequential amendments) and interpretations is not expected to have any material impact on the financial statements of the Group and of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise disclosed in the summary of significant accounting policies.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents income from the provision of express delivery services, net of discounts and rebates. Revenue is recognised when the services are rendered.

Dividend income is recognised when the shareholder's right to receive payment is established.

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and of all its subsidiary companies listed under Note 15 made up to the end of the financial year. Subsidiary companies are those companies in which the Company has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated using the acquisition method of accounting. On acquisition, the assets and liabilities of the relevant subsidiary companies are measured at their fair values at the date of acquisition.

The results of subsidiary companies acquired or disposed off during the financial year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal.

All significant intercompany balances and transactions are eliminated on consolidation.

Business Combinations

The acquisition of subsidiary companies is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3, Business Combinations, are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the income statements.

Foreign Currency Conversion

The individual financial statements of each foreign Group entity are presented in the currency of the primary economic environment in which such entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Ringgit Malaysia using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve account. Such translation differences are recognised in the income statements in the period in which the foreign operation is disposed of.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statements for the year.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statements for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Employee Benefits

(a) Short-Term Employee Benefits

Wages, salaries, paid annual leaves, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.

(b) Post-employment Benefits

(i) Defined Contribution Plan

The Group makes contributions to approved provident fund and contributions are charged to the income statement. Once the contributions have been paid, there are no further payment obligations. The approved provident fund is a defined contribution plan.

(ii) Defined Benefit Plan

The Group has unfunded non-contributory defined retirement benefit scheme covering eligible employees.

Provision for retirement benefits is computed at a fixed amount for each year of service of all eligible permanent employees who have served at least one year with the Group. The Group's obligation for the defined benefit plan is recognised based on estimates of the amount payable to the eligible employees upon their retirement.

Operating Leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statements on the straight-line basis over the lease period.

Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year, calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet "liability" method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets, if any, is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statements, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Impairment of Assets Excluding Goodwill

At each balance sheet date, the Group and the Company review the carrying amounts of their tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statements, except for asset previously revalued where the revaluation was taken to equity. In this case, the impairment is recognised in equity up to the amount of any previous revaluation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statements unless the asset is carried at revalued amount in which case the reversal is treated as revaluation increase.

Goodwill on Consolidation

Goodwill on consolidation represents the excess of the cost of acquisition of subsidiary companies over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary companies at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in the subsequent period.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investment in Subsidiary Companies

Investment in unquoted shares of subsidiary companies, which is eliminated on consolidation, is stated in the Company's financial statements at cost less any impairment losses.

Property, Plant and Equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any impairment losses.

Building stated at valuation is revalued at regular intervals of at least once in every five years by the directors based on the valuation reports of independent professional valuers with additional valuation in the intervening years where market conditions indicate that the carrying values of the revalued assets differ materially from market value.

An increase in carrying amount arising from revaluation of property, plant and equipment is credited to the revaluation reserve account as revaluation surplus. Any deficit arising from revaluation is charged against the revaluation reserve account to the extent of the previous surplus held in the revaluation account for the same asset. In all other cases, a decrease in carrying amount is charged to the income statements. An increase in revaluation directly related to a previous decrease in carrying amount for that same asset that was recognised as expense, is credited to the income statements to the extent that it offsets the previously recorded decrease.

Depreciation on revalued building is charged to the income statements. The difference between depreciation based on the revalued carrying amount of the building and the original cost of the building is transferred from revaluation reserve account to retained earnings.

Property, plant and equipment are depreciated using the straight-line method at the following annual rates to write off the cost of these assets over their estimated useful lives:

Building	2%
Office equipment, furniture and fittings	12.5%
Computer hardware and software	20%
Tools and equipment	12.5%
Motor vehicles	20%
Renovation	20% - 33.3%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimates accounted for prospectively.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements. On disposal of revalued assets, the amounts in the revaluation reserve account relating to such assets are transferred to retained earnings.

Property, Plant and Equipment Acquired Under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to the income statements to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Prepaid Lease Payments

Leases of land where title is not expected to pass to the lessee at the end of the lease term are classified as operating leases as land normally has an indefinite useful life. The upfront payments made on entering into or acquiring a leasehold land that is an operating lease represents prepaid lease payments which are amortised on a straight line basis over the lease term.

Investment Property

Investment property is property held for long-term rental yields or for capital appreciation or both, and is not occupied by the Group.

Investment property is stated at fair value, representing open-market value determined by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. A gain or loss arising from changes in the fair value of investment property is recognised in the income statements in the year in which they arise.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised. The difference between the net disposal proceeds and the carrying amount is recognised in the income statements in the period of the retirement or disposal.

Inventories

Inventories, which consist of consumables, are stated at cost (determined on the 'first-in, first-out' basis). Cost comprises the original cost of purchase plus incidental costs incurred in bringing the inventories to their present location and condition.

Receivables

Trade and other receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts. Bad debts are written off in the period in which they are identified.

Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are measured at the directors' best estimate of the amount required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

At each balance sheet date, provisions are reviewed by the directors and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Group will be required to settle the obligation.

Financial Assets

The principal financial assets of the Group are cash and bank balances, deposits with licensed banks, and trade and other receivables.

The financial assets of the Company also include amount owing by a subsidiary company.

Financial Liabilities and Equity Instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Significant financial liabilities of the Group include trade and other payables, hire-purchase payables and borrowings, which are stated at their nominal values.

Borrowings are recorded at the proceeds received. Finance charges are accounted for on an accrual basis.

Equity instruments are recorded at the proceeds received net of direct issue costs.

Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as follows:

Impairment of non-current assets

The Group reviews the carrying amount of their non-current assets to determine whether there is an indication that those assets have suffered an impairment loss. Significant judgement is required to determine the extent and amount of the impairment loss (if any).

Allowance for doubtful debts

The Group makes allowance for doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Fair value of investment property

The directors use their judgement in selecting and applying an appropriate valuation technique, by relying on the work of independent firm of valuers, for investment property stated at fair value. Fair value is determined using open-market value based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

5. SEGMENT REPORTING

No segment reporting is presented as the Group is principally engaged in the provision of express delivery services and operates principally in Malaysia.

6. REVENUE

	The Group		The Company	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Income from provision of express delivery services	75,093,356	68,079,574	–	–
Dividend income from subsidiary company	–	–	5,363,000	2,422,000
	75,093,356	68,079,574	5,363,000	2,422,000

7. DIRECT COSTS-TRANSPORTATION, OTHER OPERATING INCOME/(EXPENSES) AND STAFF COSTS

Included in direct costs-transportation and other operating income/(expenses) are the following credits/(charges):

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Interest income	198,960	143,969	94,512	84,445
Gain on disposal of property, plant and equipment	78,901	18,058	–	–
Gain on foreign exchange:				
Realised	9,191	4,498	–	–
Unrealised	–	29,589	–	–
Rental of premises	(2,958,036)	(2,808,643)	–	–
Directors' remuneration:				
Salaries and other emoluments	(478,480)	(452,010)	(23,300)	(24,000)
Employees Provident Fund	(54,600)	(50,936)	–	–
Fees	(139,200)	(141,850)	(103,200)	(103,200)
Bad debts written off	(273,063)	(513,635)	–	–
Provision for retirement benefits (Note 22)	(245,798)	–	–	–
Auditors' remuneration:				
Current year	(65,850)	(60,525)	(25,000)	(20,000)
Underprovision in prior year	(6,000)	(4,000)	(5,000)	(4,000)
Rental of motor vehicles	(3,041)	–	–	–
Gain on fair value adjustment of investment property	–	289,504	–	–
Rental income	–	66,000	–	–
Impairment loss of investment in subsidiary companies	–	–	–	(239,950)

Staff costs include salaries, bonuses, contributions to Employees Provident Fund ("EPF") and all other staff related expenses. Contributions to EPF made by the Group during the current financial year amounted to RM2,597,810 (2008: RM2,028,426).

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group during the financial year amounted to RM16,800 (2008: RM12,600).

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel consist of the directors of the Company.

8. FINANCE COSTS

	The Group	
	2009	2008
	RM	RM
Interest expense/profit payments on:		
Hire-purchase	381,179	501,839
Islamic debt facilities – Al Bai Bithaman Ajil	270,085	121,824
Bank overdraft	3,683	81
Trust receipts	–	47,632
	654,947	671,376

9. INCOME TAX EXPENSE

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Estimated tax payable:				
Current Year	(1,333,252)	(1,217,044)	(1,350,002)	(594,065)
(Under)/Overprovision in prior years	(116,015)	(97,478)	(49,012)	670
	(1,449,267)	(1,314,522)	(1,399,014)	(593,395)
Deferred tax (Note 23):				
Current Year	(29,322)	6,940	–	–
Underprovision in prior years	–	(81,000)	–	–
	(29,322)	(74,060)	–	–
	(1,478,589)	(1,388,582)	(1,399,014)	(593,395)

A reconciliation of income tax expense applicable to profit before tax at the applicable statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	The Group		The Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Profit before tax	3,560,587	4,364,181	5,304,592	2,112,946
Tax at tax rate of 25% (2008: 26%)	(890,147)	(1,134,689)	(1,326,148)	(549,366)
Tax effects of expenses that are not deductible in determining taxable profit	(399,427)	(299,415)	(23,854)	(44,699)
Deferred tax asset not recognised	(73,000)	–	–	–
Realisation of deferred tax asset previously not recognised	–	224,000	–	–
(Under)/Overprovision in prior years:				
Current tax	(116,015)	(97,478)	(49,012)	670
Deferred tax	–	(81,000)	–	–
Income tax expense	(1,478,589)	(1,388,582)	(1,399,014)	(593,395)

As explained in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of 30 June 2009, the estimated amount of deferred tax asset, calculated at the current tax rate, which has not been recognised in the financial statements of the Group due to uncertainty of its realisation, is as follows:

	Deferred Tax Asset/(Liability) The Group	
	2009	**2008**
	RM	**RM**
Tax effects of:		
Temporary differences in respect of:		
Property, plant and equipment	(606,000)	(521,000)
Trade receivables	558,000	580,000
Provision for retirement benefits	60,000	–
Other payables and accrued expenses	53,000	–
Unused tax losses	162,000	110,000
Unabsorbed capital allowances	36,000	21,000
Net	263,000	190,000

The unused tax losses and unabsorbed capital allowances, which subject to agreement by the tax authorities, are available for offset against future chargeable income.

10. EARNINGS PER ORDINARY SHARE

Basic

	The Group	
	2009	**2008**
	RM	**RM**
Net profit attributable to ordinary shareholders	2,081,998	2,975,599

	2009	**2008**
	Shares	**Shares**
Number of shares in issue	257,186,038	257,186,038
Basic earnings per ordinary share (sen)	0.81	1.16

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Building -at valuation RM	Office equipment, furniture and fittings RM	Computer hardware and software RM	Tools and equipment RM	Motor vehicles RM	Renovation RM	Total RM
Cost (or otherwise stated)							
As of 1 July 2007	1,064,516	3,230,362	8,154,859	1,119,452	11,531,106	3,236,714	28,337,009
Additions	–	370,460	692,799	412,064	3,795,544	616,470	5,887,337
Disposals	–	(1,390)	(2,989)	–	(81,532)	–	(85,911)
Revaluation surplus	569,363	–	–	–	–	–	569,363
Eliminated on revaluation	(33,879)	–	–	–	–	–	(33,879)
Exchange differences	–	1,541	365	88	18,262	6,713	26,969
As of 30 June 2008/1 July 2008	1,600,000	3,600,973	8,845,034	1,531,604	15,263,380	3,859,897	34,700,888
Additions	–	532,558	274,933	104,580	3,428,082	242,089	4,582,242
Disposals	–	–	–	–	(249,624)	(1,703)	(251,327)
Exchange differences	–	406	87	21	4,321	1,586	6,421
As of 30 June 2009	1,600,000	4,133,937	9,120,054	1,636,205	18,446,159	4,101,869	39,038,224
Accumulated Depreciation							
As of 1 July 2007	12,482	1,149,991	4,089,560	182,940	5,450,068	1,480,477	12,365,518
Charge for the year	21,397	345,121	1,531,737	153,419	2,238,167	590,069	4,879,910
Disposals	–	(304)	(1,047)	–	(61,864)	–	(63,215)
Eliminated on revaluation	(33,879)	–	–	–	–	–	(33,879)
Exchange differences	–	711	79	62	3,837	810	5,499
As of 30 June 2008/1 July 2008	–	1,495,519	5,620,329	336,421	7,630,208	2,071,356	17,153,833
Charge for the year	33,218	425,040	1,585,773	159,117	2,862,646	611,765	5,677,559
Disposals	–	–	–	–	(249,620)	(905)	(250,525)
Exchange differences	–	85	33	5	1,584	570	2,277
As of 30 June 2009	33,218	1,920,644	7,206,135	495,543	10,244,818	2,682,786	22,583,144
Net Book Value							
As of 30 June 2009	1,566,782	2,213,293	1,913,919	1,140,662	8,201,341	1,419,083	16,455,080
As of 30 June 2008	1,600,000	2,105,454	3,224,705	1,195,183	7,633,172	1,788,541	17,547,055

Included in property, plant and equipment of the Group are property, plant and equipment acquired under hire-purchase arrangements with net book value of approximately RM8,270,400 (2008: RM7,633,000).

As of 30 June 2009, the building of the Group with net book value amounting to RM1,566,782 (2008: RM1,600,000) together with the leasehold land as disclosed in Note 13 are charged to a licensed bank for credit facilities granted to a subsidiary company as disclosed in Note 21.

Included in the cost of property, plant and equipment of the Group is an amount of approximately RM6,877,600 (2008: RM4,958,600) representing fully depreciated property, plant and equipment which are still in use by the Group.

In 2008, the building of the Group was revalued by the directors based on a valuation carried out by Raine & Horne International Zaki & Partners Sdn Bhd, an independent firm of valuers that is not related to the Group. The fair value is determined by reference to market value basis. The surplus arising from revaluation had been credited to revaluation reserve account as disclosed in Note 19.

Had the building been carried at cost less accumulated depreciation, the carrying value of the building as at the end of the year would have been as follows:

	2009 RM	**2008 RM**
Cost	1,064,516	1,064,516
Accumulated depreciation	(55,169)	(33,879)
Net book value	1,009,347	1,030,637

12. INVESTMENT PROPERTY

	Long-term leasehold land and building The Group RM
At fair value:	
As of 1 July 2007	–
Transfer from prepaid lease payments (Note 13)	2,460,496
Gain on fair value adjustment	289,504
As of 30 June 2008/ 30 June 2009	2,750,000

Investment property of the Group has been charged to a licensed bank for credit facilities granted to a subsidiary company as disclosed in Note 21.

The fair value of the Group's investment property as of 30 June 2009 and 2008 has been arrived at on the basis of a valuation carried out by Raine & Horne International Zaki & Partners Sdn Bhd, an independent firm of valuers.

In 2008, direct operating expenses of the Group arising from the rental of investment property amounted to RM11,590.

Direct operating expenses incurred by the Group for investment properties that did not generate any rental income during financial year amounted to RM11,473 (2008: RMNil).

13. PREPAID LEASE PAYMENTS

	Long-term leasehold land The Group RM
Cost:	
As of 1 July 2007	7,085,741
Transfer to investment property (Note 12)	(2,611,083)
Additions	174,000
As of 30 June 2008/ 30 June 2009	4,648,658
Cumulative Amortisation:	
As of 1 July 2007	203,054
Transfer to investment property (Note 12)	(150,587)
Amortisation for the year	90,242
As of 30 June 2008/ 1 July 2008	142,709
Amortisation for the year	93,517
As of 30 June 2009	236,226
Unamortised Prepaid Lease Payments:	
As of 30 June 2009	4,412,432
As of 30 June 2008	4,505,949

Prepaid lease payments relate to lease of land for the Group's factory building at No. 19 Jalan Tandang, 46050 Petaling Jaya. The land for the factory building and office is leased over a period of 99 years expiring on 13 August 2056. The Group does not have an option to purchase the leasehold interest in land at the expiry of the lease period. The leasehold land is amortised over the period of its remaining lease term of 47 years (2008: 48 years).

The leasehold land of the Group has been charged to a licensed bank for credit facilities granted to a subsidiary company as disclosed in Note 21.

14. GOODWILL ON CONSOLIDATION

	The Group	
	2009	**2008**
	RM	**RM**
Goodwill on consolidation	137,141	137,141

As of 30 June 2009, the directors have reviewed the goodwill on consolidation for indications of impairment and concluded that no impairment loss is required.

Goodwill acquired in business combination is allocated, at acquisition, to the following business segment:

	The Group	
	2009	**2008**
	RM	**RM**
Express delivery services	137,141	137,141

15. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company 2009 RM	The Company 2008 RM
Unquoted shares - at cost	17,309,356	17,309,356
Less: Impairment loss	(239,950)	(239,950)
Net	17,069,406	17,069,406

Details of subsidiary companies are as follows:

Subsidiary Companies	Country of Incorporation	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %	Principal Activities
Direct				
GD Express Sdn. Bhd.	Malaysia	100	100	Provision of express delivery services.
GD Technosystem Sdn. Bhd.	Malaysia	100	100	Licensing of software to related company.
GD Express (Singapore) Pte. Ltd. *#	Singapore	100	100	Provision of express delivery services.
Indirect				
GD Venture (M) Sdn. Bhd.	Malaysia	100	100	Provision of transportation services to related company.
GD Materials Distribution Sdn. Bhd. *	Malaysia	100	100	Dormant.

* Audited by auditors other than the auditors of the Company.

\# The auditors' report on the financial statements of this subsidiary company includes an emphasis of matter on the appropriateness of presenting the financial statements on a going concern basis. As of 30 June 2009, the subsidiary company's current liabilities exceeded its current assets by RM1,131,374 and its total liabilities exceeded its total assets by RM918,966. The financial statements of this subsidiary company have been prepared under the going concern basis as the Company has undertaken to provide financial support and not to make any claims in the near future.

16. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

	The Group	
	2009	2008
	RM	RM
Trade receivables	18,367,649	20,398,599
Less: Allowance for doubtful debts	(2,232,350)	(2,232,350)
Net	16,135,299	18,166,249

Trade receivables of the Group represent amounts receivable for the provision of express delivery services. The credit period granted to customers ranges from 30 to 90 days (2008: 30 to 90 days).

Other receivables and prepaid expenses consist of:

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Other receivables	556,966	1,920,535	–	–
Refundable deposits	933,442	620,955	1,500	5,000
Prepaid expenses	646,935	916,790	8,958	23,750
	2,137,343	3,458,280	10,458	28,750

Included in other receivables of the Group is an amount of RM474,695 (2008: RM1,337,276) arising mainly from disposal of property, plant and equipment in prior years and the delivery and installation of customised front-end management system software in prior years.

The board of directors is of the opinion that the fair value of this other receivable mentioned in the preceding paragraph is not expected to differ significantly from the value that would eventually be received.

All receivables are denominated in Ringgit Malaysia.

17. RELATED PARTY TRANSACTIONS

Amount owing by a subsidiary company, which arose mainly from management fee receivable, transfer of property, plant and equipment in prior years, unsecured advances and payments on behalf, is interest-free and repayable on demand.

During the financial year, significant related party transactions which are determined on a basis negotiated between the said parties, are as follows:

	The Group	
	2009	2008
	RM	RM
With related party, GDX Private Limited		
Software training and maintenance services payable	879,000	777,000

	The Company	
	2009	2008
	RM	RM
With subsidiary company, GD Express Sdn Bhd		
Management fee receivable	180,000	180,000

18. SHARE CAPITAL

	The Group and The Company	
	2009	2008
	RM	RM
Authorised:		
500,000,000 ordinary shares of RM0.10 each	50,000,000	50,000,000
Issued and fully paid:		
257,186,038 ordinary shares of RM0.10 each	25,718,604	25,718,604

19. RESERVES

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Non-distributable:				
Share premium	618,070	618,070	618,070	618,070
Translation reserve	(56,488)	(30,510)	–	–
Revaluation reserve	417,542	569,363	–	–
	979,124	1,156,923	618,070	618,070
Distributable:				
Retained earnings	12,246,552	11,406,517	3,879,416	1,227,622
	13,225,676	12,563,440	4,497,486	1,845,692

Share premium

Share premium arose from the following:

	The Group and The Company	
	2009 RM	2008 RM
Public issue	7,000,000	7,000,000
Capitalisation for bonus issue	(5,143,721)	(5,143,721)
Share issue expenses	(1,238,209)	(1,238,209)
	618,070	618,070

Translation reserve

Exchange differences arising from translation of foreign controlled entities are taken to the translation reserve as described in the accounting policies.

Revaluation reserve

Revaluation reserve represents the surplus, net of deferred tax, arising from the revaluation of property, plant and equipment.

Retained earnings

Distributable reserves are those available for distribution as cash dividends.

The Finance Act 2007 introduced a single tier tax system with effect from the year of assessment 2008. Companies without Section 108 tax credits will automatically move to the single tier tax system on 1 January 2008 whilst companies with such tax credits are given an irrevocable option to disregard the balance of the tax credit and switch over to the new system during the transitional period of six years. All companies will be in the new system on 1 January 2014. Under the single tier tax system, tax on profits of companies is a final tax and dividend distributed will be exempted from tax in the hands of the shareholders. The recipient of the dividend will not be able to claim any tax credits as in the previous imputation system.

During the financial year, the Company has switched over to the single tier tax system.

20. HIRE-PURCHASE PAYABLES

	The Group	
	2009 RM	2008 RM
Total outstanding	5,201,600	5,530,964
Less: Interest-in-suspense	(352,605)	(381,687)
Principal outstanding	4,848,995	5,149,277
Less: Amount due within 12 months (shown under current liabilities)	(2,714,260)	(2,864,344)
Non-current portion	2,134,735	2,284,933

The non-current portion is payable as follows:

	The Group	
	2009 RM	2008 RM
Within 1 - 2 years	1,616,043	1,731,632
Within 2 - 5 years	518,692	553,301
	2,134,735	2,284,933

The interest rates implicit in these hire-purchase obligations range from 5.50% to 7.81% (2008: 6.60% to 8.66%) per annum.

21. BORROWINGS - SECURED

	The Group	
	2009 RM	2008 RM
Islamic debt facilities – Al Bai Bithaman Ajil	3,193,338	4,240,123
Less: Amount due within 12 months (shown under current liabilities)	(268,594)	(520,643)
Non-current portion	2,924,744	3,719,480

The non-current portion is repayable as follows:

	The Group	
	2009 RM	2008 RM
Within 1 - 2 years	302,683	562,291
Within 2 - 5 years	1,030,304	1,206,383
Above 5 years	1,591,757	1,950,806
	2,924,744	3,719,480

The Al Bai Bithaman Ajil Islamic debt facilities totalling RM3,500,000 (2008: RM5,300,000) are obtained from local licensed banks and bear profit rates ranges from 6.27% to 7.18% (2008: 6.27% to 7.18%) per annum.

As of 30 June 2009, the Group and the Company have unutilised overdraft facilities totalling RM1,500,000 (2008: RM3,380,000) obtained from local licensed banks. The overdraft facilities bear interest at rates ranging from 6.80% to 8.25% (2008: 6.80% to 8.25%) per annum.

The overdraft facilities together with the Islamic debt facilities are secured by the following:

(a) Building, investment property and leasehold land of certain subsidiary company as disclosed in Notes 11, 12 and 13 respectively;

(b) Joint and several guarantees by certain directors of the Company; and

(c) Fixed deposits of a subsidiary company amounting to RM300,000 (2008: RM345,000) and fixed deposits of the Company of RM308,000 (2008: RM308,000).

22. PROVISION FOR RETIREMENT BENEFITS

	The Group	
	2009 RM	2008 RM
At beginning of year	–	–
Charge to income statement (Note 7)	245,798	–
At end of year	245,798	–

Under this scheme, eligible employees on attainment of retirement age of 58, are entitled to a one time payment of retirement benefits, which is computed based on a fixed amount for each year of the employee's completed service with the Group. No actuarial valuation has been performed as, in the opinion of the directors, it would involve expenses out of proportion to the value.

23. DEFERRED TAX LIABILITIES

	The Group	
	2009 RM	2008 RM
At beginning of year	81,700	7,640
Transfer from income statements (Note 9)	29,322	74,060
Arising from revaluation taken directly to equity	140,000	–
At end of year	251,022	81,700

The deferred tax liabilities represent the following:

	Deferred Tax (Assets)/Liabilities The Group	
	2009 RM	2008 RM
Tax effects of:		
Temporary differences arising from:		
Property, plant and equipment	218,417	422,033
Revaluation reserve	140,000	–
Unabsorbed capital allowances	(107,395)	(340,333)
	251,022	81,700

The unabsorbed capital allowances, which subject to agreement by the tax authorities, are available for offset against future chargeable income.

24. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade payables comprise mainly amounts outstanding for services rendered by suppliers. The average credit period granted to the Group is 30 days (2008: 30 days).

The currency exposure profile of trade payables is as follows:

	The Group	
	2009	**2008**
	RM	**RM**
Ringgit Malaysia	3,129,935	2,571,065
Singapore Dollar	23,289	–
	3,153,224	2,571,065

Other payables and accrued expenses consist of:

	The Group		The Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Other payables	238,294	559,633	133,980	114,050
Accrued staff costs	1,733,076	595,852	–	–
Service tax payable	644,522	617,305	–	–
Accrued expenses	540,780	642,347	26,000	21,002
	3,156,672	2,415,137	159,980	135,052

Included in other payables of the Group is an amount of RMNil (2008: RM244,317) owing to GDX Private Limited, a company incorporated in the Republic of Singapore. Certain directors of the Company namely Mr. Teong Teck Lean and Mr. Leong Chee Tong are also directors of the said company and have substantial financial interest.

All other payables are denominated in Ringgit Malaysia.

25. DIVIDENDS

	The Group and The Company	
	2009 RM	2008 RM
Final dividend in respect of year ended 30 June 2008:		
Dividend of 0.5%, less 25% tax (2008 : Nil)	96,446	–
Dividend of 4.5%, single tier tax exempt (2008 : Nil)	1,157,338	–
	1,253,784	–

26. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Deposits with licensed banks	9,335,043	5,623,829	3,364,727	3,456,900
Cash and bank balances	1,949,918	528,397	73,619	27,618
	11,284,961	6,152,226	3,438,346	3,484,518
Less: Non cash and cash equivalents:				
Deposits pledged with licensed banks (Note 21)	(608,000)	(653,000)	(308,000)	(308,000)
	10,676,961	5,499,226	3,130,346	3,176,518

Deposits with licensed banks earn interest at rates ranging from 1.8% to 3.1% (2008: 3.1% to 3.7%) per annum. Deposits with licensed banks of the Group and of the Company have an average maturity term of 30 days (2008: 30 days).

27. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The operations of the Group are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk. The Group has taken measures to minimise its exposure to risks and/or costs associated with the financing, investing and operating activities.

(i) Foreign currency risk

The Group is exposed to currency risk as a result of foreign currency transactions arising from normal trading activities.

(ii) Interest rate risk

The Group is exposed to interest/profit rate risk through the impact of rate changes on deposits with licensed banks and interest bearing borrowings. Interest rates of hire-purchase payables are fixed at the inception of the hire-purchase arrangements. The interest/profit rates of the hire-purchase payables, bank borrowings and deposits with licensed banks are disclosed in Notes 20, 21, and 26 respectively.

(iii) Credit risk

The Group is exposed to credit risk mainly from trade and other receivables. The Group extends credit to its customers based upon careful evaluation of the customers' financial condition and credit history. The Group also ensures a large number of customers so as to limit high credit concentration in a customer or customers from a particular market.

The Group's exposure to credit risk in relation to its trade and other receivables, should all its receivables fail to perform their obligations as of 30 June 2009, is the carrying amount of these receivables as disclosed in the balance sheets.

(iv) Liquidity risk

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

Management believes that the Group's exposure on credit risk relating to deposits with licensed banks and bank balances are limited as they are placed with credit worthy financial institutions.

(v) Cash flow risk

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Fair Values

The carrying amounts and the estimated fair values of the financial instruments of the Group as of 30 June 2009 are as follows:

	The Group			
	2009		2008	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Liabilities				
Hire-purchase payables (Note 20)	4,848,995	5,008,590	5,149,277	5,248,411
Islamic debt facilities (Note 21)	3,193,338	3,321,233	4,240,123	4,500,449

Cash and cash equivalents, trade and other receivables, trade and other payables and inter-company indebtedness

The carrying amounts approximate fair values because of the short maturity period of these instruments.

Hire-purchase payables and Islamic debt facilities

The fair value of hire-purchase payables and Islamic debt facilities are estimated using discounted cash flow analysis based on current borrowing/profit rates for similar type of borrowing/financing arrangements.

28. RENTAL COMMITMENTS

As of 30 June 2009, the Group has the following commitments in respect of rental of premises:

	Future minimum lease payments The Group	
	2009 RM	2008 RM
Within 1 year	2,480,740	2,297,797
Within 1 - 2 years	1,994,360	2,697,698
Within 2 - 5 years	157,810	–
	4,632,910	4,995,495

29. CONTINGENT LIABILITIES - UNSECURED

As of 30 June 2009, the Group and the Company have the following contingent liabilities:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Corporate guarantee given to a bank for hire-purchase facilities granted to subsidiary companies	–	–	14,750,000	14,750,000
Corporate guarantee given to a supplier for credit facility granted to a subsidiary company	–	–	50,000	50,000
Legal claims in respect of litigations filed by former business partners	1,474,422	1,474,422	–	–
	1,474,422	1,474,422	14,800,000	14,800,000

The directors of the Company, after consultation with the lawyers, are of the view that the potential liabilities in respect of the abovementioned legal claims are not probable of realisation and, accordingly, the amounts have not been provided for in the financial statements.

Statement by Directors

The directors of **GD EXPRESS CARRIER BERHAD** state that, in their opinion, the accompanying balance sheets and the income statements, statements of changes in equity and cash flow statements are drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of 30 June 2009 and of the results of their businesses and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with
a resolution of the Directors,

TEONG TECK LEAN

LEONG CHEE TONG

Kuala Lumpur,
28 October 2009

Declaration by the Director Primarily Responsible for the Financial Management of the Company

I, **LEONG CHEE TONG**, the director primarily responsible for the financial management of **GD EXPRESS CARRIER BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets and the income statements, statements of changes in equity and cash flow statements, are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LEONG CHEE TONG

Subscribed and solemnly declared by the abovenamed **LEONG CHEE TONG** at **KUALA LUMPUR** this 28th day of October, 2009.

Before me,

COMMISSIONER FOR OATHS

Analysis of Shareholdings

as at 22 October 2009

Authorised Share Capital	:	RM 50,000,000.00
Issued and Paid-Up Share Capital	:	RM25,718,603.80 comprising 257,186,038 Ordinary Shares of RM0.10 each.
Class of Shares	:	Ordinary Shares of RM0.10 each
Voting Rights	:	One (1) vote per Shareholder on a show of hands
	:	One (1) vote per Ordinary Share on a poll.

DISTRIBUTION OF SHAREHOLDINGS

HOLDINGS	NO OF HOLDERS	%	NO OF SHARES	%
Less than 100	31	2.710	1,412	0.000
100 - 1,000	705	61.626	93,087	0.036
1,001 - 10, 000	218	19.056	1,011,950	0.393
10, 001 - 100,000	108	9.440	4,003,400	1.557
100,001 to less than 5% of issued shares	77	6.731	92,987,193	36.156
5% and above of issued shares	5	0.437	159,088,996	61.858
TOTAL	**1,144**	**100.000**	**257,186,038**	**100.000**

INFORMATION ON DIRECTORS' SHAREHOLDING AS AT 22 OCTOBER 2009

		DIRECT INTEREST		INDIRECT INTEREST	
NO.	NAME OF DIRECTORS	NO. OF SHARES	%	NO. OF SHARES	%
1	DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	4,050,000	1.58	5,142,000[a]	1.99
2	TEONG TECK LEAN	37,500	0.02	137,551,496[b]	53.48
3	LEONG CHEE TONG	11,288,743	4.39	–	–
4	LAU WING TAT	21,537,500	8.37	–	–
5	KONG HWAI MING	9,413,050	3.66	3,650,000[c]	1.42
6	NOLEE ASHILIN BINTI MOHAMMED RADZI	–	–	–	–
7	LIEW HENG HENG	125,000	0.05	–	–
	TOTAL	**46,451,793**	**18.06**	**146,343,496**	**56.89**

(a) Deemed interest by virtue of his substantial shareholdings in Essem Capital Sdn Bhd (2,500,000 ordinary shares), his spouse, Mardiana binti Mohamed Zain's shareholdings in the Company (2,625,000 ordinary shares) and his daughter, Suffrianna binti Ahmad Sufian's shareholdings in the Company (17,000 ordinary shares).

(b) Deemed interest by virtue of his and his spouse, Wang Herng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (83,801,496 ordinary shares) and GD Holdings International Limited (53,750,000 ordinary shares).

(c) Deemed interest by virtue of his spouse, Loi Siew Hoong's shareholdings in the Company.

INFORMATION ON SUBSTANTIAL SHAREHOLDERS (5 % AND ABOVE)

		DIRECT INTEREST		INDIRECT INTEREST	
NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%	NO. OF SHARES	%
1	TEONG TECK LEAN	37,500	0.02	137,551,496[a]	53.48
2	GD EXPRESS HOLDINGS (M) SDN BHD	83,801,496	32.58	–	–
3	GD HOLDINGS INTERNATIONAL LIMITED	53,750,000	20.90	–	–
4	LAU WING TAT	21,537,500	8.37	–	–
5	KONG HWAI MING	9,413,050	3.66	3,650,000[b]	1.42

(a) Deemed interest by virtue of his and his spouse, Wang Herng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (83,801,496 ordinary shares) and GD Holdings International Limited (53,750,000 ordinary shares).
(b) Deemed interest by virtue of his spouse, Loi Siew Hoong's shareholdings in the Company.

TOP THIRTY (30) SHAREHOLDERS AS AT 22 OCTOBER 2009

NO	NAME	SHARES	%
1	GD EXPRESS HOLDINGS (M) SDN BHD	54,855,946	21.33
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPTE AN FOR MERILL LYNCH PIERCE FENNER & SMITH INCORPORATED (LOCAL RESIDENT)	33,900,000	13.18
3	CIMBGROUP NOMINEES (TEMPATAN) SDN BHD TEONG TECK LEAN FOR GD EXPRESS HOLDINGS (M) SDN BHD	28,945,550	11.25
4	LAU WING TAT	21,537,500	8.37
5	GD HOLDINGS INTERNATIONAL LIMITED	19,850,000	7.72
6	DING AH DIEH @ DING PIK CING	9,091,050	3.53
7	LEONG CHEE TONG	8,211,327	3.19
8	KONG HWAI MING	6,250,000	2.43
9	DING MEI SIANG	5,790,000	2.25
10	OSK NOMINEES (TEMPATAN) SDN BHD KWOK NGUK MOOI	5,102,900	1.98
11	AGNES CHAN WAI CHING	4,984,525	1.94
12	AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	4,050,000	1.57

NO	NAME	SHARES	%
13	OSK NOMINEES (ASING) SDN BHD CHENG KWEE KIANG	3,814,100	1.48
14	LOI SIEW HOONG	3,650,000	1.42
15	HDM NOMINEES (ASING) SDN BHD PHILLIP SECURITIES TE LTD FOR KONG HWAI MING	3,163,050	1.23
16	CIMB GROUP NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG CHEE TONG	3,077,416	1.20
17	MARDIANA BINTI MOHAMED ZAIN	2,625,000	1.02
18	ESSEM CAPITAL SDN BHD	2,500,000	0.97
19	CHIA PHAY CHENG	2,476,650	0.96
20	HDM NOMINEE (ASING) SDN BHD OUB KAY HIAN PTE LTD FOR LEOW GEOK HONG	2,291,250	0.89
21	YAP KIAN PENG	1,817,750	0.71
22	HDM NOMINEE (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR TAN PIAK HWEE ANTHONY	1,698,325	0.66
23	MA YUK PING WINNIE	1,331,250	0.52
24	TEE CHERN JYU	1,165,000	0.45
25	CHAN MOON FOOK	1,087,500	0.42
26	CITIGROUP NOMINEE (ASING) SDN BHD EXEMPT AN FOR MERRILL LYNCH PIERCE FENNER & SMITH INCORPORATED (FOREIGN)	1,055,375	0.41
27	HDM NOMINEE (ASING) SDN BHD UOB KAY HIAN PTE LTD FOR SOONG SIEW LI	1,044,375	0.41
28	HDM NOMINEE (ASING) SDN BHD PHILLIP SECURITIES PTE LTD FOR LAU CHEN HONG	829,200	0.32
29	CHEW KOK SIANG	801,725	0.31
30	KENANGA NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	760,200	0.30
	TOTAL	**237,756,964**	**92.45**

Group Property Particulars

Listed below are the particulars of the property referred to in Note 11 and 12 to the Financial Statements.

No.	Location of Property	Description / Existing Use	Approximate Land Area (sq. ft.)	Tenure	Approximate Age of Building (years)	Net Book Value as at 30.6.2009	Date of Revaluation
(1)	21, Jalan Tandang 46050 Petaling Jaya, Selangor	Land with temporary structures	29,757	99 years lease expiring 6 Nov 2057	44 years	2,750,000	30 June 2009
(2)	19, Jalan Tandang 46050 Petaling Jaya, Selangor	Corporate Head Office and Distribution Hub	61,909	99 years lease expiring 13 Aug 2056	36 years	5,979,214	20 June 2008

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Sixth Annual General Meeting of the Company will be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 10 December 2009 at 10.00 a.m., to transact the following businesses:-

AGENDA

As Ordinary Business:-

1. To receive the Audited Financial Statements of the Company and of the Group and the Reports of the Directors and the Auditors thereon for the financial year ended 30 June 2009. (Please refer to Explanatory Note 1)

2. To approve the payment of a final single tier dividend of 5% and a special single tier dividend of 5% in respect of the financial year ended 30 June 2009. (Resolution 1)

3. To approve Directors' fees for the financial year ended 30 June 2009. (Resolution 2)

4. To re-elect the following Directors who retire pursuant to Article 104 of the Company's Articles of Association:

   4.1 Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid (Resolution 3)

   4.2 YB Nolee Ashilin Binti Mohammed Radzi (Resolution 4)

5. To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. (Resolution 5)

As Special Business:-

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions: -

6. Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965 (Resolution 6)

"THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965, to issue new ordinary shares in the Company from time to time and upon such terms and conditions to such persons and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED THAT the aggregate number of new ordinary shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued share capital of the Company and that such authority shall unless revoked or varied by an ordinary resolution by the shareholders of the Company in general meeting commence upon the passing of this resolution until the conclusion of the next Annual General Meeting of the Company AND THAT the Directors are further authorised to do all such things and upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company to give effect to the issuance of new ordinary shares under this resolution including making such applications to Bursa Malaysia Securities Berhad for the listing of and quotation for the new ordinary shares to be issued pursuant to this resolution."

7. **Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature ("Proposed Renewal Of Shareholders' Mandate")** (Resolution 7)

"THAT approval be and is hereby given to the Company and its subsidiaries ("GDEX Group") to enter into and give effect to the specific recurrent related party transactions of a revenue or trading nature and with the specified classes of related parties as specified in Section 2.4 of the circular to the shareholders of GDEX dated 18 November 2009, provided that :-

(a) such arrangements and/or transactions are necessary for the GDEX Group's day-to-day operations;

(b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public;

(c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and

(d) the disclosure is made in the annual report on the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year in relation to:-

(i) the related transacting parties and their respective relationship with the Company; and
(ii) the nature of the recurrent transactions.

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

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed; or

(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

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

8. To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Companies Act, 1965 and the Articles of Association of the Company.

DATE OF ENTITLEMENT AND PAYMENT OF FINAL AND SPECIAL DIVIDEND

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the members at the Sixth Annual General Meeting to be held on 10 December 2009, a final single tier dividend of 5% and a special single tier dividend of 5% in respect of the financial year ended 30 June 2009, if approved, will be paid on 11 January 2010 to Depositors whose names appear in the Record of Depositors on 29 December 2009.

A depositor shall qualify for entitlement to the dividend only in respect of:-

(a) Securities transferred into the Depositor's Securities Account before 4.00 p.m. on 29 December 2009 in respect of transfers; and

(b) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD
GD EXPRESS CARRIER BERHAD

WONG WEI FONG (MAICSA 7006751)
LIM LEE KUAN (MAICSA 7017753)
Company Secretaries

Kuala Lumpur
18 November 2009

Notes:

i. For the purpose of determining a member who shall entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 60(1) of the Company's Articles of Association and Section 34(I) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 3 December 2009. Only a depositor whose name appears on the Record of Depositors as at 3 December 2009 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

ii. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(a) and (b) of the Companies Act, 1965 shall not apply to the Company.

iii. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.

iv. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.

v. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

vi. The instrument appointing a proxy must be deposited at the registered office of the Company i.e. Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting i.e on or before 10.00 a.m., Tuesday, 8 December 2009 or any adjournment thereof.

Explanatory Notes :-

1. Item 1 of the Agenda

The Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Item 6 of the Agenda

The proposed adoption of the Ordinary Resolution No. 6 is primarily to give flexibility to the Board of Directors to issue shares to such persons at any time in their absolute discretion without convening a general meeting. This authorisation will expire at the conclusion of the next Annual General Meeting of the Company.

This is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilised and accordingly no proceeds were raised.

3. Item 7 of the Agenda

The proposed adoption of the Ordinary Resolution 7 is to renew the Shareholders' Mandate granted by the shareholders of the Company at the Fifth Annual General Meeting held on 4 December 2008. The proposed renewal of the Shareholders' Mandate will enable the Group to enter into the Recurrent Related Party Transactions of a Revenue or Trading Nature which are necessary for the Group day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

For further information, please refer to the Circular to Shareholders of the Company dated 18 November 2009.

Statement Accompanying Notice of Annual General Meeting

1. **Directors standing for re-election at the Sixth Annual General Meeting**
   The Directors who retire pursuant to Article 104 of the Company's Articles of Association and seeking re-election are as follows:-

   (1) Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
   (2) YB Nolee Ashilin Binti Mohammed Radzi

2. **Details of Directors standing for re-election**
   Details of the abovementioned Directors seeking for re-election are set out in the Directors' profile on page 19 to 21 of the Annual Report.

3. **Attendance of Directors at Board Meetings**
   Five (5) Board meetings were held in the financial year ended 30 June 2009. Details of the attendance of Directors at the Board meetings are disclosed in the Statement on Corporate Governance on page 30 of the Annual Report.

4. **Date, Time and Place of the Sixth Annual General Meeting**
   The Sixth Annual General Meeting of the Company will be held:-

Date	:	Thursday, 10 December 2009
Time	:	10.00 a.m.
Place	:	Bukit Kiara Resort Berhad Jalan Bukit Kiara Off Jalan Damansara 60000 Kuala Lumpur

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GD EXPRESS

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

FORM OF PROXY

Number of Shares Held	
CDS Account No.	

*I/We ______________________________ (Full Name in Block Letters) NRIC/Passport No. ______________________ of ______________________________ (Address) being a member / members of GD Express Carrier Berhad hereby appoint *Mr/Ms ______________________NRIC/Passport No. ______________________of ______________________________ (the next name and address should be completed where it is desired to appoint two/more proxies) *Mr/Ms______________________ NRIC/Passport No. ______________________of ______________________________
or failing *him/*them, the Chairman of the Meeting as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Sixth Annual General Meeting of the Company to be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 10 December 2009 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any item arising not summarized below, *my/our *proxy/proxies may vote or abstain from voting at his/her discretion.

No.	Resolutions	For#	Against#
1.	To approve the payment of a final single tier dividend of 5% and a special single tier dividend of 5% in respect of the financial year ended 30 June 2009.		
2.	To approve Directors' fees for the financial year ended 30 June 2009.		
3.	To re-elect Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid who retires pursuant to Article 104 of the Company's Articles of Association, and being eligible, has offered himself for re-election.		
4.	To re-elect YB Nolee Ashilin Binti Mohammed Radzi who retires pursuant to Article 104 of the Company's Articles of Association, and being eligible, has offered herself for re-election.		
5.	To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
6.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
7.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

 # Please indicate your vote "For" or "Against" with an "X" within the box provided.

** Delete if not applicable*

Signed this______________ day of _________ 2009.

____
Signature/Common Seal of Shareholder(s)

Notes:

i. *For the purpose of determining a member who shall entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 60(1) of the Company's Articles of Association and Section 34(l) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 3 December 2009. Only a depositor whose name appears on the Record of Depositors as at 3 December 2009 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.*

ii. *A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(a) and (b) of the Companies Act, 1965 shall not apply to the Company.*

iii. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.*

iv. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.*

v. *Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

vi. *The instrument appointing a proxy must be deposited at the registered office of the Company i.e. Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting i.e on or before 10.00 a.m., Tuesday, 8 December 2009 or any adjournment thereof.*

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Stamp

The Company Secretary
GD EXPRESS CARRIER BERHAD (630579-A)
Level 18
The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
MALAYSIA

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