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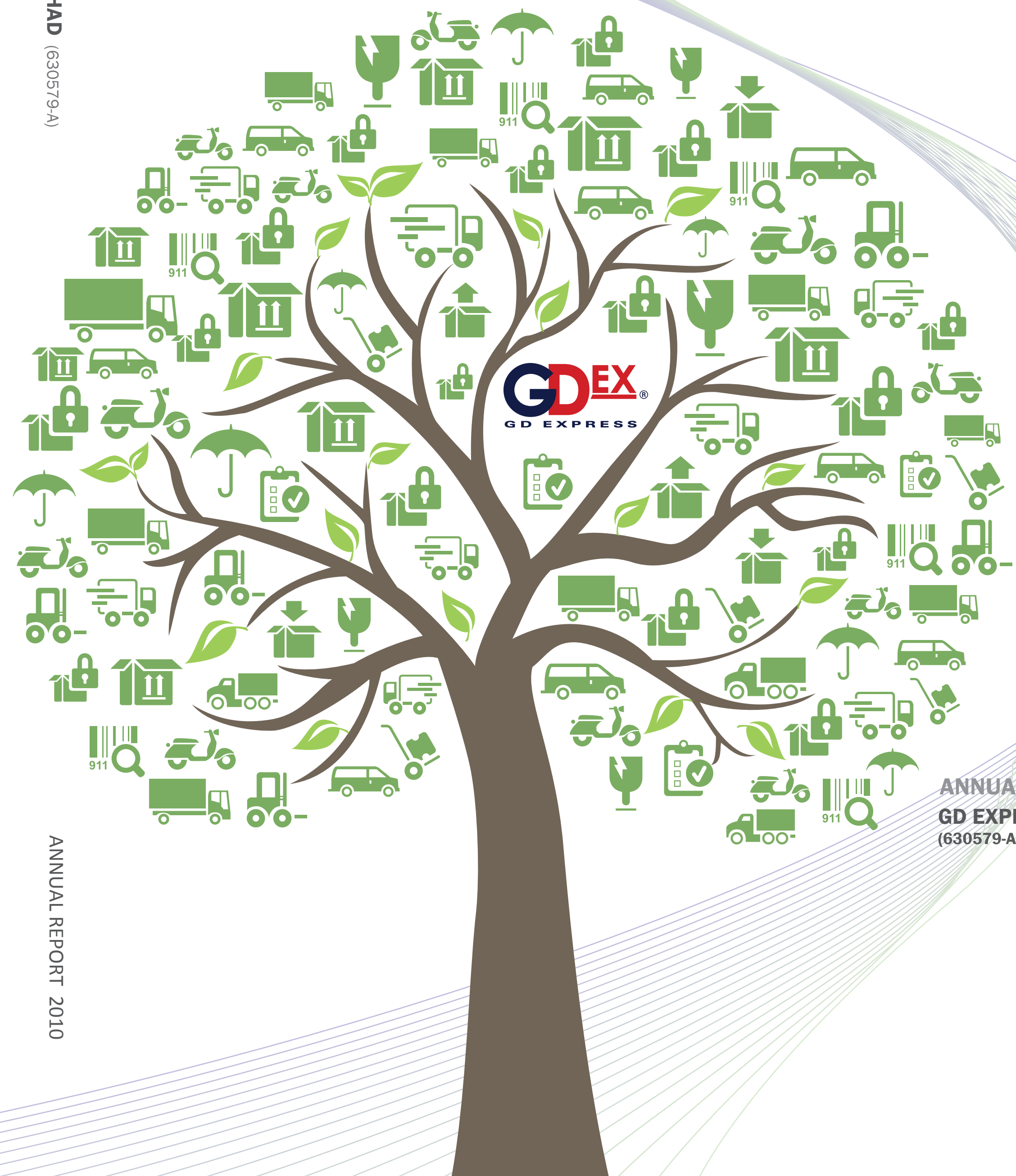
GD EXPRESS CARRIER BERHAD (630579-A)

ANNUAL REPORT 2010

GDEX
GD EXPRESS



ANNUAL REPORT 2010

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GD EXPRESS

contents

1 GDEX Positioning Statement
2 Chairman's Statement
6 A Hive of Night Activity
8 Review of Operations by The Chief Executive Officer
14 Meeting Customers' Delivery Needs
16 Directors' Profile
20 Building the GDEX Team Spirit
22 Senior Management Profile
26 Corporate Information
27 Statement on Corporate Governance
37 Additional Compliance Information
39 Audit Committee Report
46 Statement on Internal Control
49 Financial Highlights
50 Financial Statements
103 Analysis of Shareholdings
106 Group Property Particulars
107 Notice of Annual General Meeting
110 Appendix 1
Form of Proxy

SUSTAINABLE BALANCED GROWTH

The oak tree symbolises strength, loyalty and endurance. Many songs and stories have been written about the beauty, resilience, and toughness of the oak tree. While it provides life-sustaining food and shelter for all, its wood is greatly demanded throughout the ages for its remarkable toughness and fine grain texture.

As much as the oak tree is admired for its durability and longevity, its existence and growth depends very much on its ability to draw nutrients from the soil and chlorophyll-making energy from the sun. Indeed its survival, especially in the early growth stage, depends on it receiving the proper balance of food, water and energy from nature's elements.

Likewise, GDEX as a young fast growing corporation would require the necessary resources to grow into a strong, healthy and dynamic corporation. Through the prudent and wise management and allocation of its financial, technological and human resources, it strives to achieve sustainable balanced growth in the years to come.

The oak tree and GDEX. Becoming strong and successful through sustainable balanced growth.

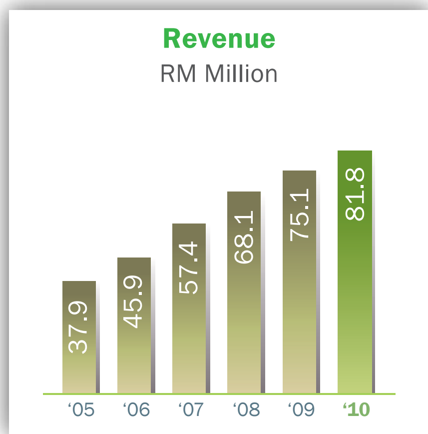
Chairman's Statement

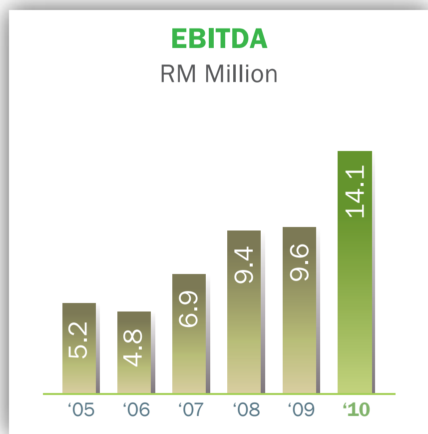
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Chairman

Dear Shareholders

I am pleased to present my sixth annual report to our fellow stake-holders for the financial year ended 30 June 2010. In particular, I am happy and relieved to note that the Malaysian economy, like many of the Asian economies, has staged a good recovery from the world recession in late 2008 and 2009. The better economic conditions enabled our Group to record a healthy growth in sales and profits.

The year reviewed saw a general increase in economic activities in all sectors, which benefited the transportation sector. This general recovery together with the cost cutting measures instituted by the Group last year to combat the recession have increased the level of operational efficiency and resulted in better bottom-line for the Group.





Our Performance in 2010

While the financial year 2009/2010 was one of general economic recovery, there remained uncertainties over the strength and sustainability of the recovery. The Group has thus decided to adopt a cautious approach in business expansion, focusing on cost control and improvement in service quality. I am glad that our staff have in general accepted the restraint over wages and at the same time worked hard to achieve the various quality objectives. Our customers, meanwhile, remained confident in us and continued to support us as they rode on the upswing. I must therefore thank our customers and our staff for being the key contributing factors to the Group's better result.

Against this background, I am pleased to report that the Group achieved a modest increase in sales and profitability for the year reviewed. Group's turnover increased 9% from RM75.09 million a year ago to RM81.84 million while Group's pre-tax profit increased 132% from RM3.56 million previously to RM8.26 million. Net profit after tax was RM5.95 million against RM2.08 million in the previous financial year, an increase of 186%. Net earnings per share amount to 2.31 sen per every 10 sen share against 0.81 sen previously.

Earnings before interest, tax, depreciation and amortisation (EBITDA) grew from RM9.62 million to RM14.09 million, an increase of 46%.

Chairman's Statement
cont'd

Dividend Payment

The Group's long term aspiration is to become a significant player in the regional logistics sector. This could only be achieved through continuous growth and hence substantial reinvestment and development spending. Such requirement for cash competes with the need to provide competitive pay packages to attract and retain the best people, as well as returning steady stream of dividend to shareholders, and also, still relatively small at this stage, fulfilling its commitment in contributing to the well being of the society.

Hence, the Group will constantly be balancing its cash allocation — among shareholders, employees, development and Corporate Social Responsibility.

In line with this policy of sustainable balanced growth, I am pleased to announce that the Board of Directors has declared a first and final dividend of 10% for every 10 sen share resulting in a payout of RM2.57 million to our shareholders. While this dividend payout remains modest, it nevertheless reflects our Group's pursuit for balanced growth.

Significant Developments

As the country emerged from the recession, the Group continued to adopt a cautious and prudent approach, constantly working to improve our operating efficiency and competency level. For the year under review, our Group has further enhanced our operations by undertaking the following:

- Acquired a piece of property previously rented as part of the Group's Headquarters for a total consideration of RM20.8 million. This property is strategic for the Group's expansion;
- Continued negotiations with Laos National Postal Company, Entreprise Des Postes Lao (EPL) to develop express delivery service in Laos, based on the MOU signed in January 2009;
- Completed a long term strategic road map for the Group's expansion;
- Established GDEX Foundation as a milestone of the Group's commitment to Corporate Social Responsibility.

Challenges and Opportunities

The next decade will be extremely challenging. The transformation of Malaysia into a high income economy creates great opportunities for business, while at the same time, exerts considerable pressure on the costs of business, particularly human resources cost. Meanwhile, as Asia Pacific region races forward with a diligent and educated work force, new business opportunities are abound. At the same time, this poses challenges we never experienced before. Thus, the Group has to be well prepared financially, technologically and human resources-wise to meet these challenges and to capitalise on the opportunities.

As the main challenges face by the Group are the growing shortage of labor and the struggle for talent, it is imperative that the Group continues its policy to attract, recruit and retain talented and skilled workers for its healthy long term growth.

Meanwhile, as Malaysia and the region move towards a high income society, the cost of living increases which adds great pressure to the average worker. Significant adjustments in pay packages is inevitable, thus putting pressure on the Group's operating margin.

There is also a need to provide better services and more sophisticated solutions to meet higher customer expectations as our business environment evolves and becomes more developed. Customers would expect highly efficient and customised services tailored to their individual requirements. To meet such demands, the Group will need to continue upgrading the language proficiency and interpersonal skills of its people, its operating procedures, as well as its systems and facilities. Our challenge is to continuously improve productivity to lower unit costs while maintaining a high standard of service excellence.

While the challenges to the Group are daunting, the opportunities that are opened are equally exciting. The impending developments in Malaysia and the region open vast vistas for the Group to introduce new services to meet the changing market needs. The Group will have opportunities to expand into other sectors in the logistics industry and expand its express carrier footprint into the region.

The Future

The world economic outlook is likely to remain uncertain which makes the business environment tougher to operate. However, the Group has always taken a longer term view of the industry and has taken measures to mitigate such problems. I am confident that the measures taken will enable the Group to overcome whatever challenges that we are currently facing.

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 declaration of a dividend for the third consecutive year reflects our Board's determined efforts to consistently reward our loyal stakeholders.

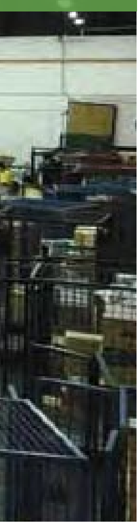
Last but not least, I would like to commend my fellow board members who have continued to fulfill their commitments and obligations with distinction to the Board.

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

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

A Hive of Night Activity

Come night time, the GDEX hub is a veritable hive of activity. From all over the country, GDEX trucks converge at this all-weather centrepoint to deposit their load of customers' shipments where they are sorted, processed and redirected to their ultimate destinations. That way, we move tens of thousands of customers' shipments every night, 364 nights a year.




GDEX

Leong Chee Tong
Chief Executive Officer and Executive Director

Review of Operations by

The Chief Executive Officer

Thanks to the coordinated and massive stimulus packages from the leading industrial and developing nations, the year under review witnessed a modest recovery in the world economy, following the 2008-2009 recession. Riding on the improved economic and market conditions, and having put in place our own cost restraints, the Group saw better results. Against this backdrop, I am pleased to present my CEO Review of Operations for the year.

For the financial year ended 30 June 2010, turnover increased 9% to RM81.84 million from RM75.09 million previously. Pre-tax profit, however, improved 132% to RM8.26 million from RM3.56 million while net profit increased to RM5.95 million from RM2.08 million previously – an improvement of 186%.

The transportation and logistics sector in general benefited from the rebound in commerce activities. This lifted our top line in the financial period.

Meanwhile, the restraint measures implemented since the recession helped to contain our operating costs and overheads, enabling an improvement in our operating margin. Refinement of our processes also helped to boost productivity and bottom line.

Key Focus Areas

During the year, we acquired a piece of leasehold property comprising land of 108,627 square feet and built-up area of 83,500 square feet for a sum of RM20.8 million. This property is part of the Group's headquarters and transshipment hub that we had been previously renting. The acquisition is strategic to our requirements, not only saving substantial rental expense in the future, but more for eliminating the risk of potential disruption in operation, as the property is integral to our headquarters operation with another two adjoining properties acquired earlier that hosts activities of the transshipment hub, courier command centre and other supporting functions.

On overseas venture, we continued negotiation with Laos National Postal Company, Entreprise Des Postes Lao (EPL) to develop express delivery service in Laos, based on the memorandum of understanding signed in January 2009. Through the accomplishment of the feasibility study, we have developed a startup, business and operation model for inroads into any new country.

We completed the long term strategic road map for the Group's next phase of expansion. In brief, the road map establishes the intermediate goals and identifies the key ingredients to become an integrated logistics player in the region. It obligates us to critically examine our current core competencies and core business, and decide on our future.

A major milestone of the Group's commitment to Corporate Social Responsibility is the establishment of GDEX Foundation to provide financial assistance to some of our needy staff, and to the society in general in the future.

Operations

We have identified customer service the priority area for improvement. Raising the bar, we have implemented the GDEX English tests as a basic criteria for confirmation and promotion of customer service staff. The standard operating procedure for customer service function was reviewed and revamped, along with the implementation of HQ Customer Service Incentive Schemes. We have also installed a call centre management system to log in HQ customer service activities and to measure our service standards.

Similar reviews on standard operating procedures for courier field operations have commenced and procedure changes were being introduced in stages.

To comply with the new requirement on ISO certification, we have upgraded our ISO certification from ISO 9001:2000 to ISO 9001:2008 – two years ahead of the deadline.

These changes are crucial in raising our overall service level in the long run and we will continue to refine the standard operating procedures in all other areas.

Network, Infrastructure and Systems Development

We were not deterred from developing our capabilities due to curbs in spending. Instead, capital expenditure was carried out cautiously, in areas that can produce immediate improvement in service level or productivity, or in keeping our capacity in line with market demand and our growth plan. Our fleet was expanded which now stands at 296 trucks with a total carriage capacity of 525 tons compared with 280 trucks with 491 tons capacity previously.

We have maintained our network coverage and focus on improving its delivery capacity and service quality. During the year, we have upgraded and expanded most of our regional offices and major branches.

Such developments further enhance our speed of delivery and pave the way for further business growth.

Market, Customers and Services

Thanks to the support from our existing customers, we saw consistent growth of business from them. Our effort was directed towards understanding the changing requirements of our major customers and providing them innovative logistics solutions integral to their operations.

We have been preparing ourselves to expand our scope of services to meet the changing market requirements. These services were being tested and will be formally launched in the new financial year.

Resources and Supporting Functions

One of the major problems we faced was the unusually tight labour situation, particularly the supply of quality workers. Coupled with more stringent employment criteria implemented to ensure we select the responsible and capable people, recruiting and retaining good people has become the greatest challenge for us.

Salary adjustments were largely put on hold to keep operating costs under control. However, the rapid increase in the cost of living has propelled salary expectation to level beyond our existing structure. The situation forces us to carry out substantial changes on our salary structure in the coming year which will likely affect our operating margin. Yet, this is absolutely necessary to attract and retain good staff and vital to our progress in the long run.

Training for our front line staff was sustained despite our cost restraint. A total of 17,336 man-hours of training were received by our staff compared to 23,896 man-hours before. The lower man-hours is mainly due to a shift of training focus to more advanced level.

Meanwhile, the management is working hard to achieve better utilization of our resources for better return on assets.

Corporate Development

We have adopted a revision in our Mission Statement in line with our aspiration to go regional.

Corporate Social Responsibility

We have resumed the award of scholarship to final year tertiary students and broaden our co-operation with major universities on industrial training program. We also continued to carry out annual blood donation exercise in collaboration with the National Blood Bank.

As mentioned earlier, we have established the GDEX Foundation to provide assistance to needy staff with loans and grants, and we expect to broaden our scope of beneficiaries in the future years.

Looking Ahead

The rebound in 2009 and 2010 was very much liquidity driven and more of an asset appreciation. Real demand from the bread and butter part of the economy remains sluggish. We foresee the world economy to remain uncertain as imbalances exist, or in fact worsen in many parts of the world. The current strength of the economy and feel good factor rely largely on loose monetary policy that might pave the way for greater problem in the future. We must therefore remain extremely cautious for any possible shock that can emerge overnight.

Nevertheless, business environment will continue to evolve. We will react to changing market needs and work hard to meet the ever increasing expectation from customers in order to stay relevant. Meanwhile, competition in the express delivery industry will heat up as we see entrance of more big foreign players into Malaysia and the region. It will be extremely challenging to remain competitive as the league moves to a higher level.

We expect costs to rise further as the country and the region moves toward higher income. Pay expectation will rise and it will become more difficult to attract good people to the organisation, not to mention retaining them.

Strategic Focus and Continual Development

We need to remain focused in developing our core service competencies. Meanwhile, we need to identify new business opportunities by being close to the ground. This summarises our key strategic focus in the long term.

The building block to core service competencies is people. We need to establish the mechanism of building successive generations of teams comprising people of varying strengths but having the common values of integrity, passion and leadership. We have to become a place where talents love to join and stay, and contribute to achieve greater goals. Only under such condition can we successfully develop our core competencies and maintain sustainable growth.

Our approach to business must be market driven. The master formula is that we must develop the methodology to sense changing market needs and prepare ourselves to meet new demand. We have identified new areas of growth over the next ten years, both geographically and in terms of business mix, and we are preparing ourselves to capitalise on these opportunities.

To drive these, we need to maintain financial security by having a strong balance sheet and cash flow, and plan to expand cautiously.

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, business service partners and government agencies 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

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.

MISSION

To Deliver the Most Trusted and Professional Express Carrier Services in the Countries We Operate.

QUALITY POLICY

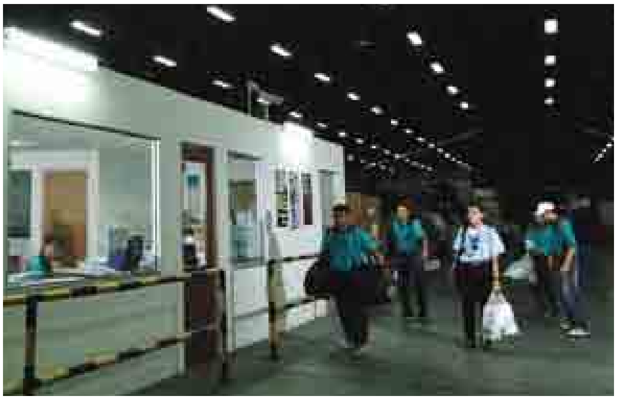
We are committed to ensuring every task is thoroughly planned and goals understood. Each process is only completed after checking that the goals are met.

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.

Meeting customers' delivery needs

Our motorbike couriers are an integral part of the GDEX delivery system. Numbering some 800-strong, this GDEX "army" goes out every morning, rain or shine, to deliver or collect your consignments. These turquoise-clad soldiers on their trusty motorbikes would fan out to every part of the city in response to our customers' requests to deliver urgent mail or documents. And they would return in the evening, bringing in your time-sensitive documents to be processed and delivered to their ultimate destinations the very next day.





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Leong Chee Tong
(Executive Director & Chief Executive Officer)

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

Teong Teck Lean
(Executive Deputy Chairman)

Liew Heng Heng

Kong Hwai Ming

Nolee Ashilin binti Mohammed Radzi

Lau Wing Tat

Directors' Profile

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Independent, Non-Executive Chairman
Malaysian aged 61

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 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 50

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 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 45

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 is also responsible for the setting of performance and quality standards of the Group's service offerings and is 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 56

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 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 also an Independent Director of Hyflux Water Trust (a listed Business Trust in Singapore). He is currently the Director of ARN Investment Partners Pte Ltd, a boutique fund management company in Singapore.

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 50

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 is currently the Executive Director of CKG Chemicals Pte Ltd which has a turnover of more than USD100 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 53

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.

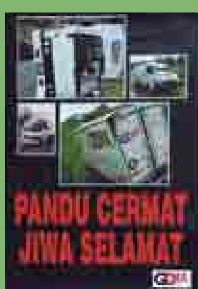
Nolee Ashilin binti Mohammed Radzi
Independent Non-Executive Director
Malaysian aged 35

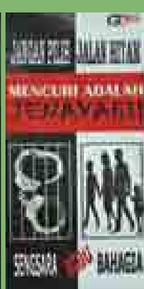
She was appointed to the board on 8 February 2005. She has a BS (Hons) Degree in Accounting and Finance from Manchester Metropolitan University, United Kingdom, and a Masters in Business Administration from Edith Cowan University, Australia. She started her career as an Accounts Officer with Le Proton LIMA Exhibitions Sdn Bhd in 1997 and later joined Le Proton Exhibitions Sdn Bhd 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.

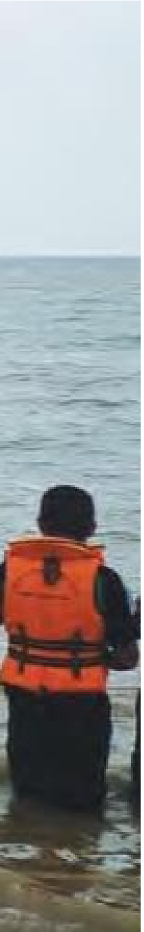
All Directors do not have any family relationship with any director and/or major shareholders of GD Express Carrier Berhad nor any conflict of interest in any business arrangement involving GD Express Carrier Berhad and have no convictions for any offences other than traffic offences if any, within the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

Building the GDEX team spirit

Fostering unity, team-spirit and understanding among our multi-racial staff is vital to GDEX's growth and expansion. That's why GDEX constantly organises programmes and activities that require our people to work and play as a team. There is no better way for a young fast-growing express carrier to move forward than to inculcate the GDEX team spirit in all levels of our organisation. In GDEX, our people come first.







Standing from left to right
Marmizahsalwa Ahmad Tarmizi, Kwok Nguk Mooi, Tung Sook Wah, Stella J. Khan, Sundelasagran a/l Suppiah, Cheng Kee Leong, Hazlin Abu Hasan, Tiang Chen Chen, Lisa Chan, Mala Kupusamy, Wong Eng Su, Poh Aik Szooi

Senior Management Profile

Tung Sook Wah

Deputy Chief Executive Officer & Chief Financial Officer, aged 44

She holds a Diploma in Accountancy from London Chamber of Commerce and Industry and completed her ACCA (Association of Chartered Certified Accountants) professional qualification in 1993. At present, 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 18 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. In 2008, she assumed the position of Chief Financial Officer, overseeing the Billing Department and has been involved in strategic planning of the Group. In 2010, she was promoted to Deputy Chief Executive Officer cum Chief Financial Officer.

Wong Eng Su

Chief Operating Officer & General Manager, Business Support Group, aged 39

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 in 2000 as Sales Executive and subsequently as Internal Control Audit and Coordination Executive. In 2003, he was promoted to Head of Sales Department. In 2008, he was promoted to Head, Customer Support Group, which oversees the Sales Department, Credit Department, Marketing Department, Sales Support Department, Insurance, Claim and Compensation Unit and Special Collection Unit. In 2010, he was promoted to Chief Operating Officer cum General Manager, Business Support Group. He is responsible for the full compliance of sales and credit policies and achieving the sales and collection targets of the Group.

Lisa Chan

General Manager, Corporate Support Group, aged 52

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 in 1997 as Executive Assistant to the Managing Director. In 2002, she was promoted to Manager, Corporate Development. In 2005, she was further promoted to Deputy Head of HQ Division cum Corporate Development Manager, assisting the CEO's Office in overseeing all functional departments in the Group. In 2008, she was promoted to Head, Corporate Support Group, which oversees the Human Resource Department, Administration Department, Training Department, Security and Investigation Department, Facility Management Department, Domestic, Public Relations and Communications Department, Corporate Affairs and Corporate Compliance Unit. In 2010, she was promoted to General Manager, Corporate Support Group. 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.

Senior Management Profile
cont'd

Cheng Kee Leong
Head of Transport Division, aged 55

He obtained a Diploma in Automobile Engineering from Sagawa Automobile Institute, Japan in 1985. He had attended various management and professional courses, both locally and overseas. He started his career as Technical Adviser in United Sagawa Sdn Bhd in 1986. 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 in February 2002 and his responsibilities include the set-up, planning and implementation of proper control measures in vehicle operations.

Tiang Chen Chen
Head of Network Development Unit, aged 40

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 Dealer's Assistant in 1998 before joining GD Express in 2000 as a management trainee. Over a ten-year period, she held various positions in the company. In her current position, she is responsible for the implementation of network expansion and development plans and also ensuring network agents service quality.

Kwok Nguk Mooi
Head of Quality Assurance, aged 36

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. She held various positions as Assistant Manager and later as Manager in the Billing Department before assuming her present position. She is responsible for the full compliance of the Group's policies & procedures.

Sundelasagran a/l Suppiah
Head of Transshipment Hub Division, aged 50

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 joined GD Express Sdn Bhd in 2002 as an executive. In his current position, he is responsible for the full transshipment activities of documents and parcels.

Hazlin Abu Hasan
Head of Courier Division, aged 37

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. 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. In addition, he also oversees the Customer Service functions and Linehaul operations movement of the entire network. He 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 29

She graduated with a Vice-Chancellor Award in Bachelor of Business Administration (International Business) First Class, from University Technology MARA. She also has been chosen as a GD Express Sdn Bhd scholar. Upon her graduation in 2005, she joined GD Express Sdn Bhd as an Executive of Corporate Planning & Development. She held the position of Head, Customer Service 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 communications between management and staff.

Senior Management Profile
cont'd

Stella J. Khan
Head of Brand Development & Marketing and Head of Business Development, aged 37

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 joined GD Express Sdn Bhd in 2001 as Senior Officer in the Sales Support Department and was promoted to Head of Sales Support Department. In her current position, she is responsible for the implementation of the company strategy in relation to market positioning and brand enhancement.

Poh Aik Szooi
Head of Logistics Division, aged 34

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 position. He is currently responsible for the effective implementation of one-stop logistics solutions and bulk storage services.

Mala Kupusamy
Head of Central Recruitment Office and Corporate Planning & Development Manager, aged 29

She graduated with a Degree in Human Resource Development from University Putra Malaysia and was awarded Dean's list for all semesters. She started her career in GD Express in 2003 as a Management Trainee and was later moved to the Human Resource Department as Senior Officer. She was later promoted as Head of Human Resource Department. She was later re-assigned to Business Development Division before assuming her present position. She facilitates the strategic planning and development of the company, monitors the work plan and KPI and drive the recruitment function. She also holds a concurrent position as Head of Central Recruitment Office.

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)

ADVOCATES & SOLICITORS

Lee & May

PRINCIPAL BANKER

Malayan Banking Berhad (3813-K)

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

Statement on Corporate Governance

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 Director
- Two Independent Non-Executive Directors

1. BOARD OF DIRECTORS *cont'd*

1.2 Board Composition and Independence *cont'd*

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 1/3 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 17 to19 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 2010, the Board of Directors met five (5) times, which are as follows:-

- 27 August 2009
- 28 October 2009
- 19 November 2009
- 10 February 2010
- 20 May 2010

1. BOARD OF DIRECTORS *cont'd*

1.4 Board Meetings *cont'd*

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	4/5	80
(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	3/5	60
(vi)	Nolee Ashilin Binti Mohammed Radzi	4/5	80
(vii)	Liew Heng Heng	5/5	100

All meetings were held at the Conference Room of the Company at No. 17, 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.

1. BOARD OF DIRECTORS *cont'd*

1.6 Re-election of Directors *cont'd*

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 39 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.

1. BOARD OF DIRECTORS *cont'd*

1.7 Board Committees *cont'd*

1.7.2 Combined Nomination and Remuneration Committee *cont'd*

- 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
	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 (formerly known as Bursa Malaysia Training Sdn Bhd) within the stipulated timeframe required in the Listing Requirements.

1. BOARD OF DIRECTORS *cont'd*

1.9 Directors' Training *cont'd*

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 :

- Market Recovery, Malaysia Strategy – Making Bold Changes, Outlook of Ringgit Bond Market
- Second Annual Corporate Governance Summit 2010
- Executive Compensation
- Problem Solving And Decision Making
- Corporate Governance Guide – Towards Boardroom Excellence

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 2010 categorized into appropriate components are as follows:

	Executive Directors RM	Non-Executive Directors RM
Remuneration		
- Salaries and other emoluments	474,900	20,600
- Defined contribution plan (EPF)	49,851	-
- Fees	-	139,200
	524,751	159,800

2. DIRECTORS' REMUNERATION *cont'd*

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	-	5
RM200,001 – RM250,000	1	-
RM250,001 – RM300,000	1	-

3. INVESTOR 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.

3. INVESTOR RELATIONS & SHAREHOLDERS COMMUNICATION *cont'd*

3.2 Policy *cont'd*

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 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.

3. INVESTOR RELATIONS & SHAREHOLDERS COMMUNICATION *cont'd*

3.2 Policy *cont'd*

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. ACCOUNTABILITY AND AUDIT *cont'd*

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 39 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, para 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 2010 on pages 50 to 102 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 2010.

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

Additional Compliance Information

1. MATERIAL CONTRACTS

On 22 December 2009, the Company announced that its wholly-owned subsidiary company, GD Facilities & Assets Management Sdn. Bhd., had entered into a sale and purchase agreement with a third party for the acquisition of a piece of leasehold land and building located at No. 17, Jalan Tandang, 46050 Petaling Jaya, for a total cash consideration of RM20,800,000.

The abovementioned transaction has been completed on 30 September 2010.

Saved for what has been disclosed above, for the financial year ended 30 June 2010, there were no other 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 2010 pursuant to the Shareholders' Mandate obtained by the Group at the Annual General Meeting held on 10 December 2009 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 2010 (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 shareholder.

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 2010.

5. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme for the financial year ended 30 June 2010.

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 2010, the Group paid RM2,000 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 2010.

9. PROFIT GUARANTEE

During the financial year ended 30 June 2010, 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 and the revaluation policy on buildings classified as property, plant and equipment are as disclosed in Note 3 to the financial statements.

11. UTILISATION OF PROCEEDS

During the financial year ended 30 June 2010, 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 2010.

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)	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.

TERMS OF REFERENCE *cont'd*

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 1st 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 1st 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.

TERMS OF REFERENCE *cont'd*

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.

TERMS OF REFERENCE *cont'd*

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 Company, prior to the approval by the Board of Directors, focusing particularly on:-

  - o any changes in or implementation of major accounting policies and practices;
  - o significant adjustments arising from the audit;
  - o the going concern assumption; and
  - o 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 questions 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;

TERMS OF REFERENCE *cont'd*

6. Duties and Responsibilities *cont'd*

- 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 2010, the Audit Committee met five (5) times on the following dates:-

- 27 August 2009
- 28 October 2009
- 19 November 2009
- 10 February 2010
- 20 May 2010

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

Members		Audit Committee Meeting Attended	%
(i)	Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	5/5	100
(ii)	Kong Hwai Ming	3/5	60
(iii)	Liew Heng Heng	5/5	100
(iv)	Nolee Ashilin binti Mohammed Radzi	4/5	80

All Audit Committee meetings were held at the Conference Room of the Company, at No. 17, 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 and half-yearly unaudited financial results of the Group before recommending them for approval by the Board of Directors;

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE *cont'd*

1. Financial Reporting *cont'd*

(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

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 were 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 comprising 2 personnel — 1 department head and 1 audit executive. The team is supported by three other units within the Quality Assurance Group, namely Service Quality Unit, Process Compliance Unit and Process Development Unit, totaling 12 personnel. In accordance with the internal audit plan endorsed and approved by the Audit Committee, the team will conduct review on the adequacy and effectiveness of the internal control system of the Group. Findings and suggested recommendations will be presented to the Audit Committee for improvement.

INTERNAL AUDIT FUNCTION *cont'd*

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 continue 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 2010 amounted to RM246,217.

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 15 branches:

   (a) Credit Control and Cash Management;
   (b) Delivery and Pick Up Management;
   (c) Procurement;
   (d) Storage and Security System;
   (e) Fixed Asset Management;
   (f) Management Information System; and
   (g) Human Resource Management.

   These 15 branches include Klang, Penang, Kampar, Serdang, Kajang, Batu Pahat, Kluang, Senai, Mentakab, Seremban, Kuala Selangor, Sibu, Labuan, Keningau and Shah Alam.

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.

Statement on Internal Control

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.

BOARD 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' investment, 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

- **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.

- **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.

KEY FEATURES OF THE GROUP'S INTERNAL CONTROL SYSTEM *cont'd*

1. Control Environment *cont'd*

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 **Budget 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 closed monitored by management against budget and key performance indicators. Any significant variances identified will be investigated to provide corrective measurement accordingly.

o **Insurance and Physical Safeguard**

Adequate insurance and physical security of major assets are in place to ensure that the assets of the Group are sufficiently covered against any mishap that will result in material losses to the Group.

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 did not renew the contract of the outsourced internal auditor this year. The internal audit functions were taken over by in-housed Internal Audit team supported by three other units within the Quality Assurance Group, namely Service Quality Unit, Process Compliance Unit and Process Development Unit. Where improvement opportunities are identified during internal audit reviews, recommendations are made and appropriate action plans are agreed with management, coordinated and facilitated by Process Development Unit. 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.

KEY FEATURES OF THE GROUP'S INTERNAL CONTROL SYSTEM *cont'd*

2. Internal Audit Function *cont'd*

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.

Every 3 years, the Executive Directors and Senior Management of each operating unit will carry out a structured assessment of key risk profiles, including emerging risks and re-rated principal risks. After key risks identification, the team establish strategic responses, actionable programs and tasks to mitigate and manage all risk identified.

The Audit Committee review report on key risk assessment and ensure internal audit programs cover identified principal risks. The areas covered are set out in a three-year internal audit plan that was endorsed and approved by the Audit Committee. Audit findings served as key feedback to validate effectiveness of risk management activities and embedded internal controls. The team review implementation progress of previously outlined actionable programs and evaluate post implementation effectiveness.

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. In addition, 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 2010 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 2010.

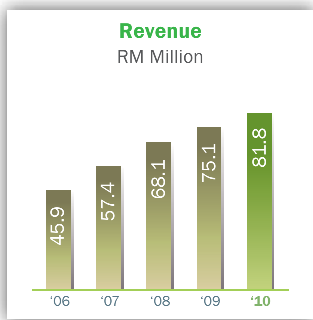
Financial Highlights

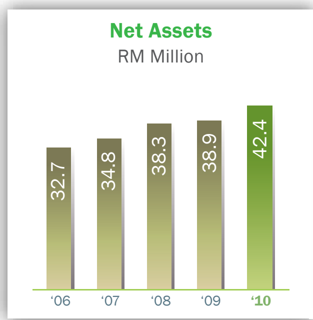
	Group year ended 30 June 2010 RM'000	Group year ended 30 June 2009 RM'000	Group year ended 30 June 2008 RM'000	Group year ended 30 June 2007 RM'000	Group year ended 30 June 2006 RM'000
Revenue	81,839	75,093	68,080	57,365	45,866
Profit from operations	8,301	3,850	4,442	2,605	1,532
Profit before tax	8,257	3,561	4,364	2,558	1,724
Profit after tax	5,953	2,082	2,976	2,087	1,206
Return on revenue	7%	3%	4%	4%	3%
Profit attributable to ordinary equity holders	5,953	2,082	2,976	2,087	1,206
Net assets	42,387	38,944	38,282	34,757	32,690
Paid-up capital	25,719	25,719	25,719	25,719	25,719
Shareholders' equity	42,387	38,944	38,282	34,757	32,690

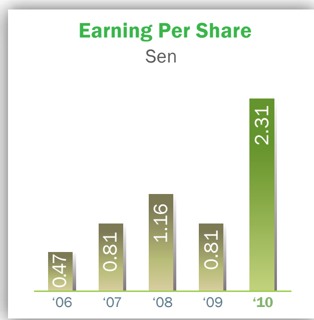
Share information
(Ordinary shares of RM0.10 each)

Number of shares in issue ('000) (1)	257,186	257,186	257,186	257,186	257,186
Earnings per share (sen)	2.31	0.81	1.16	0.81	0.47
Net assets per share (RM)	0.16	0.15	0.15	0.14	0.13
Share price at end of financial year (RM)	0.450	0.440	0.615	0.970	0.825

Note:
(1) In May 2006, there was a bonus issue of 51,437,208 new ordinary share by capitalising RM5,143,721 from the share premium account.







Financial Statements

for the year ended 30 June 2010

51 Report of the Directors
56 Independent Auditors' Report
58 Income Statements
59 Balance Sheets
61 Statements of Changes in Equity
63 Cash Flow Statements
66 Notes to the Financial Statements
102 Statement by Directors
102 Declaration by the Director

Report of the Directors

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 2010.

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 of 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	The Company
	RM	RM
Profit before tax	8,257,175	4,438,252
Income tax expense	(2,304,295)	(935,497)
Profit for the year	5,952,880	3,502,755

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.

SIGNIFICANT EVENT

On 22 December 2009, the Company announced that its wholly-owned subsidiary company, GD Facilities & Assets Management Sdn. Bhd., had entered into a sale and purchase agreement with a third party for the acquisition of a piece of leasehold land located at No. 17 Jalan Tandang, 46050 Petaling Jaya, for a total cash consideration of RM20,800,000.

DIVIDENDS

A 5% single tier dividend amounting to RM1,285,930 and a special 5% single tier dividend amounting to RM1,285,930 proposed in the previous financial year and dealt with in the previous directors' report was paid by the Company during the financial year.

The directors proposed a 10% single tier dividend amounting to RM2,571,860 in respect of the financial year ended 30 June 2010. The proposed dividend, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, have 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.

OTHER STATUTORY INFORMATION *cont'd*

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
Nolee Ashilin binti Mohammed Radzi

In accordance with Article 104 of the Company's Articles of Association, Ms. Liew Heng Heng and Mr. Teong Teck Lean 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 1.7.2009	**Bought**	**Sold**	**As of 30.6.2010**
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 director 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 2010

Independent Auditors' Report

to the Members of GD Express Carrier Berhad
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of GD EXPRESS CARRIER BERHAD, which comprise the balance sheets of the Group and of the Company as of 30 June 2010 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 101.

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 2010 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 - 2846/01/12 (J)
Chartered Accountant

28 October 2010

Income Statements
for the year ended 30 June 2010

	Note	The Group		The Company	
		2010	2009	2010	2009
		RM	RM	RM	RM
Revenue	6	81,839,195	75,093,356	4,325,000	5,363,000
Direct costs-transportation	7	(17,241,425)	(16,725,192)	-	-
Staff costs	7	(38,798,973)	(36,401,064)	-	-
Depreciation of property, plant and equipment	11	(5,220,907)	(5,677,559)	-	-
Amortisation of prepaid lease payments	13	(152,029)	(93,517)	-	-
Finance costs	8	(463,800)	(654,947)	-	-
Other operating expenses	7	(12,124,546)	(12,345,910)	(341,396)	(332,920)
Other operating income	7	419,660	365,420	454,648	274,512
Profit before tax		8,257,175	3,560,587	4,438,252	5,304,592
Income tax expense	9	(2,304,295)	(1,478,589)	(935,497)	(1,399,014)
Profit for the year		5,952,880	2,081,998	3,502,755	3,905,578
Earnings per ordinary share					
Basic (sen)	10	2.31	0.81		

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

Balance Sheets
as of 30 June 2010

	Note	The Group		The Company	
		2010	2009	2010	2009
		RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	14,403,393	16,455,080	-	-
Investment property	12	-	2,750,000	-	-
Prepaid lease payments	13	7,010,403	4,412,432	-	-
Goodwill on consolidation	14	137,141	137,141	-	-
Deferred tax assets	23	31,000	-	-	-
Investment in subsidiary companies	15	-	-	17,569,508	17,069,406
Total Non-Current Assets		21,581,937	23,754,653	17,569,508	17,069,406
Current Assets					
Inventories-at cost		371,278	383,305	-	-
Trade receivables	16	19,750,343	16,135,299	-	-
Other receivables and prepaid expenses	16	3,879,127	2,137,343	20,158	10,458
Tax recoverable		-	114,436	-	101,936
Amount owing by subsidiary companies	17	-	-	9,158,499	9,755,924
Deposits with licensed banks	26	7,868,751	9,335,043	4,453,044	3,364,727
Cash and bank balances	26	3,953,782	1,949,918	83,381	73,619
Total Current Assets		35,823,281	30,055,344	13,715,082	13,306,664
Total Assets		57,405,218	53,809,997	31,284,590	30,376,070

Balance Sheets
as of 30 June 2010
cont'd

	Note	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	18	25,718,604	25,718,604	25,718,604	25,718,604
Reserves	19	16,668,443	13,225,676	5,428,381	4,497,486
Total Equity		42,387,047	38,944,280	31,146,985	30,216,090
Non-Current and Deferred Liabilities					
Hire-purchase payables - non-current portion	20	1,358,826	2,134,735	-	-
Borrowings (secured) - non-current portion	21	2,622,061	2,924,744	-	-
Provision for retirement benefits	22	73,105	245,798	-	-
Deferred tax liabilities	23	340,475	251,022	-	-
Total Non-Current and Deferred Liabilities		4,394,467	5,556,299	-	-
Current Liabilities					
Trade payables	24	2,659,790	3,153,224	-	-
Other payables and accrued expenses	24	4,531,481	3,156,672	112,421	159,980
Amount owing to subsidiary company	17	-	-	3,684	-
Amount owing to directors	17	33,790	-	-	-
Hire-purchase payables - current portion	20	2,068,503	2,714,260	-	-
Borrowings (secured) - current portion	21	302,683	268,594	-	-
Tax liabilities		1,027,457	16,668	21,500	-
Total Current Liabilities		10,623,704	9,309,418	137,605	159,980
Total Liabilities		15,018,171	14,865,717	137,605	159,980
Total Equity and Liabilities		57,405,218	53,809,997	31,284,590	30,376,070

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

Statements of Changes in Equity

for the year ended 30 June 2010

The Group	Note	Issued capital	← Non-Distributable Reserves Share premium	Translation reserve	Revaluation reserve →	Distributable Reserve - Retained earnings	Total
		RM	RM	RM	RM	RM	RM
As of 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 2009/1 July 2009		25,718,604	618,070	(56,488)	417,542	12,246,552	38,944,280
Income/(Expense) recognised directly in equity:							
Translation reserve		-	-	58,747	-	-	58,747
Transfer from deferred tax liabilities	23	-	-	-	3,000	-	3,000
Profit for the year		-	-	-	-	5,952,880	5,952,880
Total recognised income/(expense)		-	-	58,747	3,000	5,952,880	6,014,627
Transfer to retained earnings		-	-	-	(11,821)	11,821	-
Dividends	25	-	-	-	-	(2,571,860)	(2,571,860)
As of 30 June 2010		25,718,604	618,070	2,259	408,721	15,639,393	42,387,047

Statements of Changes in Equity
for the year ended 30 June 2010
cont'd

The Company	**Note**	**Issued capital**	**Non-Distributable Reserve - Share premium**	**Distributable Reserve - Retained earnings**	**Total**
		RM	**RM**	**RM**	**RM**
As of 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 2009/1 July 2009		25,718,604	618,070	3,879,416	30,216,090
Total recognised income/(expense):					
Profit for the year		-	-	3,502,755	3,502,755
Dividends	25	-	-	(2,571,860)	(2,571,860)
As of 30 June 2010		25,718,604	618,070	4,810,311	31,146,985

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

Cash Flow Statements
for the year ended 30 June 2010

	Note	The Group		The Company	
		2010	2009	2010	2009
		RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES					
Profit for the year		5,952,880	2,081,998	3,502,755	3,905,578
Adjustments for:					
Depreciation of property, plant and equipment		5,220,907	5,677,559	-	-
Income tax expense recognised in income statements		2,304,295	1,478,589	935,497	1,399,014
Finance costs		463,800	654,947	-	-
Allowance for doubtful debts		353,923	-	-	-
Amortisation of prepaid lease payments		152,029	93,517	-	-
Goodwill on consolidation written off		45,081	-	-	-
Interest income		(193,424)	(198,960)	(94,648)	(94,512)
(Provision for retirement benefits no longer required)/ Provision for retirement benefits		(172,693)	245,798	-	-
Gain on disposal of property, plant and equipment		(128,690)	(78,901)	-	-
Dividend income from subsidiary company		-	-	(4,325,000)	(5,363,000)
Bad debts written off		-	273,063	-	-
Operating Profit/(Loss) Before Working Capital Changes		13,998,108	10,227,610	18,604	(152,920)
(Increase)/Decrease in:					
Inventories		12,027	(68,668)	-	-
Trade receivables		(3,959,769)	1,757,887	-	-
Other receivables and prepaid expenses		472,274	1,320,937	(9,700)	18,292
Increase/(Decrease) in:					
Trade payables		(493,434)	582,159	-	-
Other payables and accrued expenses		1,357,096	741,535	(47,559)	24,928
Cash Generated From/(Used In) Operations		11,386,302	14,561,460	(38,655)	(109,700)
Income tax (paid)/refund		(1,117,617)	(1,839,226)	52,939	(44,125)
Net Cash From/(Used In) Operating Activities		10,268,685	12,722,234	14,284	(153,825)

Cash Flow Statements
for the year ended 30 June 2010
cont'd

	Note	The Group		The Company	
		2010	2009	2010	2009
		RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Increase/(Decrease) in amount owing by subsidiary companies		-	-	597,425	(2,755,325)
Investment in subsidiary companies		-	-	(500,000)	-
Deposits for purchase of property, plant and equipment		(2,164,736)	-	-	-
Additions to property, plant and equipment *		(1,487,100)	(1,468,881)	-	-
Acquisition of subsidiaries, net of cash acquired (Note 15)		120	-	(102)	-
Proceeds from disposal of property, plant and equipment		192,047	79,703	-	-
Interest received		193,424	198,960	94,648	94,512
(Increase)/Decrease in fixed deposits pledged with licensed banks		(53,100)	45,000	-	-
Dividends received		-	-	3,460,000	4,022,250
Net Cash (Used In)/From Investing Activities		(3,319,345)	(1,145,218)	3,651,971	1,361,437
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Increase in:					
Amount owing to directors		4,190	-	-	-
Amount owing to subsidiary company		-	-	3,684	-
Repayment of Islamic debt facilities		(268,594)	(1,046,785)	-	-
Payments of hire-purchase payables		(3,174,575)	(3,413,643)	-	-
Finance costs paid		(463,800)	(654,947)	-	-
Dividends paid		(2,571,860)	(1,253,784)	(2,571,860)	(1,253,784)
Net Cash Used In Financing Activities		(6,474,639)	(6,369,159)	(2,568,176)	(1,253,784)

Cash Flow Statements
for the year ended 30 June 2010
cont'd

		The Group		The Company	
		2010	2009	2010	2009
	Note	RM	RM	RM	RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		474,701	5,207,857	1,098,079	(46,172)
Effect of exchange differences		9,771	(30,122)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		10,676,961	5,499,226	3,130,346	3,176,518
CASH AND CASH EQUIVALENTS AT END OF YEAR	26	11,161,433	10,676,961	4,228,425	3,130,346

* *During the financial year, the Group acquired property, plant and equipment at an aggregate cost of RM3,240,458 (2009: RM4,582,242), of which RM1,753,358 (2009: RM3,113,361) was acquired under hire-purchase arrangements. Cash payments made by the Group for the acquisition of property, plant and equipment amounted to RM1,487,100 (2009: RM1,468,881).*

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

Notes to 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 of 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 2010.

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 ("FRS") 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 Interpretation") 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)[1]
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010)[2]
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010) (Amendments relating to limited exemption from Comparative FRS 7 Disclosures for First-time Adopters and additional exemptions for First-time Adopters)[3]
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations)[1]
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)[2]
FRS 2	Share-based Payment (Amendments relating to group cash-settled share-based payment transactions)[3]
FRS 3	Business Combinations (Revised in 2010)[2]

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS *cont'd*

Standards and Interpretations Issued But Not Yet Effective *cont'd*

FRS 4	Insurance Contracts[1]
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary)[2]
FRS 7	Financial Instruments: Disclosures[1]
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets - effective date and transition)[1]
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)[3]
FRS 101	Presentation of Financial Statements (Revised in 2009)[1]
FRS 123	Borrowing Costs (Revised)[1]
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)[1]
FRS 127	Consolidated and Separate Financial Statements (Revised in 2010)[2]
FRS 132	Financial Instruments: Presentation (Amendments relating to puttable financial instruments and obligations arising on liquidation and transitional provision relating to compound instruments)[1]
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue)[4]
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)[2]
FRS 139	Financial Instruments: Recognition and Measurement[1]
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets - effective date and transition, embedded derivatives and revised FRS 3 and revised FRS 127)[1]
Improvements to FRSs (2009)[1]	
IC Interpretation 4	Determining whether an arrangement contains a lease[3]
IC Interpretation 9	Reassessment of Embedded Derivatives[1]
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives)[1]
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 and revised FRS 3)[2]
IC Interpretation 10	Interim Financial Reporting and Impairment[1]
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions[1]
IC Interpretation 12	Service Concession Arrangements[2]
IC Interpretation 13	Customer Loyalty Programmes[1]
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction[1]

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS *cont'd*

Standards and Interpretations Issued But Not Yet Effective *cont'd*

IC Interpretation 15	Agreements for the Construction of Real Estate[5]
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation[2]
IC Interpretation 17	Distributions of Non-cash Assets to Owners[2]
IC Interpretation 18	Transfer of Assets from Customers[6]

[1] *Effective for annual periods beginning on or after 1 January 2010*
[2] *Effective for annual periods beginning on or after 1 July 2010*
[3] *Effective for annual periods beginning on or after 1 January 2011*
[4] *Effective for annual periods beginning on or after 1 March 2010*
[5] *Effective for annual periods beginning on or after 1 January 2012*
[6] *Applies to transfers of assets from customers received on or after 1 January 2011*

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

Except for FRS 3, 7, 101, 127 and 139, the other FRSs and IC Interpretations are not expected to be relevant to the operations of the Group and the Company. The directors anticipate that the adoption of the above standards and interpretations, and improvement to FRSs, when they become effective, are not expected to have material financial impact on the financial statements of the Group and the Company in the period of initial application except for the following:

FRS 3 - Business Combinations (Revised in 2010)

The revised FRS 3:
- allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as "minority interest") either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree;
- changes the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if the payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from new information obtained within measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in income statements;
- requires the recognition of a settlement gain or loss where the business combination in effect settles a pre-existing relationship between the Group and the acquiree; and
- requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in income statement as incurred, whereas previously they were accounted for as part of the cost of the business combination.

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of transactions prior to the date of adoption.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS *cont'd*

FRS 7 - Financial Instruments: Disclosures

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.

FRS 7 - Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)

The amendments to FRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.

FRS 101 - Presentation of Financial Statements (Revised in 2009)

FRS 101 introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of third statement of financial position in the event that the entity has applied new accounting policies retrospectively. There is no impact on the Group's and Company's financial statements as this change in accounting policy affects only the presentation of the Group's and Company's financial statements.

FRS 127 - Consolidated and Separate Financial Statements (Revised in 2010)

The revised Standard will affect the Group's accounting policies regarding changes in ownership interests in its subsidiary company that do not result in a change in control. Previously, in the absence of specific requirements in FRSs, increases in interests in existing subsidiary company were treated in the same manner as the acquisitions of subsidiary company, with goodwill or a bargain purchase gain being recognised, where appropriate; for decreases in interests in existing subsidiary company regardless of whether the disposals would result in the Group losing control over the subsidiary company, the difference between the consideration received and the carrying amount of the share of the net assets disposed of was recognised in income statements.

Under FRS 127 (Revised in 2010), increases or decreases in ownership interests in subsidiary company that do not result in the Group losing control over the subsidiary company are dealt with in equity and attributed to the owners of the parent, with no impact on goodwill or profit or loss. When a control of a subsidiary company is lost as a result of a transaction, event or other circumstance, FRS 127 (Revised in 2010) requires that the Group derecognises all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary company is recognised at its fair value at the date when control is lost, with the resulting gain or loss being recognised in income statements.

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of transactions prior to the date of adoption.

FRS 139 - Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognition and measurement of financial assets and liabilities and certain contracts to buy and sell non-financial items.

By virtue of the exemption provided in paragraph 103AB of FRS 139 and paragraph 44AB of FRS 7, the impact of applying FRS 139 and FRS 7 on the financial statements of the Group and the Company upon initial application of these standards as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS *cont'd*

Improvements to FRSs (2009)

Improvements to FRSs (2009) contain amendments to 21 FRSs. Some of the improvements involve accounting changes to presentation, recognition or measurement whilst some are changes to terminology with little effect on accounting except for the following:

FRS 117 - Leases

FRS 117 generally requires leases of land with an indefinite useful life to be classified as operating leases. Following the amendments, leases of land are classified as either "finance" or "operating" using the general principles of FRS 117. These amendments are effective for annual periods beginning on or after 1 January 2010, and they are to be applied retrospectively to unexpired leases as of 1 January 2010 if the necessary information was available at the inception of the lease. Otherwise, the revised Standard will be applied based on the facts and circumstances existing on 1 January 2010 (i.e. the date of adoption of the amendments) and the Group and the Company will recognise assets and liabilities related to land leases newly classified as finance leases at their fair values on that date; any difference between those fair values will be recognised in retained earnings. It is likely that the changes will affect the classification of some of the Group's and the Company's lease of land.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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

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 date 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.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Employee Benefits

(a) Short-Term Employee Benefits

Wages, salaries, paid annual leave, 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 statements. 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 the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profit.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Income Tax *cont'd*

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 on consolidation is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Goodwill on Consolidation *cont'd*

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%

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

The estimated useful lives, residual values and depreciation method of property, plant and equipment 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 is 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.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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 subsidiary companies.

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, amount owing to directors, hire-purchase payables and borrowings, which are stated at their nominal values.

The financial liabilities of the Company also include amount owing to subsidiary company.

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.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *cont'd*

(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 tangible assets

The Group reviews the carrying amount of their tangible 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.

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	
	2010	2009	2010	2009
	RM	RM	RM	RM
Income from provision of express delivery services	81,839,195	75,093,356	-	-
Dividend income from subsidiary company	-	-	4,325,000	5,363,000
	81,839,195	75,093,356	4,325,000	5,363,000

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	
	2010	2009	2010	2009
	RM	RM	RM	RM
Interest income	193,424	198,960	94,648	94,512
Provision for retirement benefits no longer required/ (Provision for retirement benefits) (Note 22)	172,693	(245,798)	-	-
Gain on disposal of property, plant and equipment	128,690	78,901	-	-
Rental of premises	(2,994,048)	(2,958,036)	-	-
Directors' remuneration:				
Salaries and other emoluments	(495,500)	(478,480)	(20,600)	(23,300)
Fees	(139,200)	(139,200)	(103,200)	(103,200)
Employees Provident Fund	(49,851)	(54,600)	-	-
Allowance for doubtful debts	(353,923)	-	-	-
Realised (loss)/gain on foreign exchange	(70,778)	9,191	-	-
Auditors' remuneration:				
Statutory:				
Current year	(66,500)	(65,850)	(26,000)	(25,000)
Underprovision in prior year	-	(6,000)	-	(5,000)
Others	(2,000)	-	(2,000)	-
Goodwill on consolidation written off	(45,081)	-	-	-
Bad debts written off	-	(273,063)	-	-
Rental of motor vehicles	-	(3,041)	-	-

Staff costs include salaries, bonuses, contributions to Employees Provident Fund ("EPF") and all other staff related expenses. Contributions to EPF by the Group during the current financial year amounted to RM2,723,284 (2009: RM2,597,810).

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.

7. DIRECT COSTS - TRANSPORTATION, OTHER OPERATING INCOME/EXPENSES AND STAFF COSTS *cont'd*

The remunerations of the directors of the Group and the Company during the year are as follows:

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Directors of the Company:				
Executive:				
Salaries and other emoluments	474,900	455,180	-	-
Employees Provident Fund	49,851	54,600	-	-
	524,751	509,780	-	-
Non-Executive:				
Salaries and other emoluments	20,600	23,300	20,600	23,300
Fees	139,200	139,200	103,200	103,200
	159,800	162,500	123,800	126,500
	684,551	672,280	123,800	126,500

The estimated monetary value of benefits-in-kind received or receivable by the directors otherwise than in cash from the Group during the financial year amounted to RM16,800 (2009: RM16,800).

8. FINANCE COSTS

	The Group	
	2010	2009
	RM	RM
Interest expense/Profit payments on:		
Hire-purchase	268,425	381,179
Islamic debt facilities - Al Bai Bithaman Ajil	192,614	270,085
Bank overdraft	2,761	3,683
	463,800	654,947

9. INCOME TAX EXPENSE

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Estimated tax payable:				
Current year	2,317,412	1,333,252	930,000	1,350,002
(Over)/Underprovision in prior years	(74,570)	116,015	5,497	49,012
	2,242,842	1,449,267	935,497	1,399,014
Deferred tax (Note 23):				
Current year	165,453	29,322	-	-
Overprovision in prior years	(104,000)	-	-	-
	61,453	29,322	-	-
	2,304,295	1,478,589	935,497	1,399,014

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	
	2010	2009	2010	2009
	RM	RM	RM	RM
Profit before tax	8,257,175	3,560,587	4,438,252	5,304,592
Tax at tax rate of 25% (2009: 25%)	2,064,294	890,147	1,109,563	1,326,148
Tax effects of:				
Income that are not taxable in determining taxable profit	-	-	(216,250)	-
Expenses that are not deductible in determining taxable profit	483,571	399,427	36,687	23,854
Deferred tax asset not recognised	-	73,000	-	-
Realisation of deferred tax asset previously not recognised	(65,000)	-	-	-
(Under)/Overprovision in prior years:				
Current tax	(74,570)	116,015	5,497	49,012
Deferred tax	(104,000)	-	-	-
Income tax expense	2,304,295	1,478,589	935,497	1,399,014

10. EARNINGS PER ORDINARY SHARE

Basic

	The Group	
	2010	2009
	RM	RM
Net profit attributable to ordinary shareholders	5,952,880	2,081,998
	2010	2009
	Shares	Shares
Number of shares in issue	257,186,038	257,186,038
Basic earnings per ordinary share (sen)	2.31	0.81

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 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 July 2009	1,600,000	4,133,937	9,120,054	1,636,205	18,446,159	4,101,869	39,038,224
Additions	-	420,028	452,499	41,750	1,982,058	344,123	3,240,458
Disposals	-	(7,340)	-	-	(444,431)	-	(451,771)
Exchange differences	-	(1,389)	(296)	(72)	(14,871)	(5,385)	(22,013)
As of 30 June 2010	1,600,000	4,545,236	9,572,257	1,677,883	19,968,915	4,440,607	41,804,898

11. PROPERTY, PLANT AND EQUIPMENT *cont'd*

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
Accumulated Depreciation							
As of 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 2009/1 July 2009	33,218	1,920,644	7,206,135	495,543	10,244,818	2,682,786	22,583,144
Charge for the year	33,218	477,314	1,170,651	161,342	2,797,731	580,651	5,220,907
Disposals	-	(3,304)	-	-	(385,110)	-	(388,414)
Exchange differences	-	(534)	(198)	(28)	(9,947)	(3,425)	(14,132)
As of 30 June 2010	66,436	2,394,120	8,376,588	656,857	12,647,492	3,260,012	27,401,505
Net Book Value							
As of 30 June 2010	1,533,564	2,151,116	1,195,669	1,021,026	7,321,423	1,180,595	14,403,393
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

Included in property, plant and equipment of the Group are property, plant and equipment under hire-purchase arrangements with net book value of approximately RM5,895,600 (2009: RM8,270,400).

As of 30 June 2010, the building of the Group with net book value amounting to RM1,533,564 (2009: RM1,566,782) together with the leasehold land as disclosed in Note 13 have been charged to a local 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 RM13,416,000 (2009: RM6,877,600) 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 was not related to the Group. The fair value was determined by reference to market value basis. The surplus which arose from revaluation was credited to the revaluation reserve account as disclosed in Note 19.

11. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Had the building been carried at cost less accumulated depreciation, the carrying value of the building that would have been included in the financial statements as at the end of the year is as follows:

	The Group	
	2010	2009
	RM	RM
Cost	1,064,516	1,064,516
Accumulated depreciation	(76,459)	(55,169)
Net book value	988,057	1,009,347

12. INVESTMENT PROPERTY

	Long-term leasehold land The Group
	RM
At fair value:	
As of 1 July 2008/30 June 2009/1 July 2009	2,750,000
Transfer to prepaid lease payments (Note 13)	(2,750,000)
As of 30 June 2010	-

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

In 2009, direct operating expenses of the Group for investment property that did not generate any rental income amounted to RM11,473.

13. PREPAID LEASE PAYMENTS

	Long-term leasehold land The Group RM
Cost:	
As of 1 July 2008/30 June 2009	4,648,658
Transfer from investment property (Note 12)	2,750,000
As of 30 June 2010	7,398,658
Cumulative Amortisation:	
As of 1 July 2008	142,709
Amortisation for the year	93,517
As of 30 June 2009/1 July 2009	236,226
Amortisation for the year	152,029
As of 30 June 2010	388,255
Unamortised Prepaid Lease Payments:	
As of 30 June 2010	7,010,403
As of 30 June 2009	4,412,432

Prepaid lease payments relate to:

(i) 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 46 years (2009: 47 years).

(ii) Lease of vacant land at No. 21 Jalan Tandang, 46050 Petaling Jaya. The land used by the Group for car park purposes is leased over a period of 99 years expiring on 6 November 2057. The Group does not have an option to purchase the leasehold interest in land at the expiry of the lease period. The leasehold land has been transferred from investment property during the financial year and is amortised over the period of its remaining lease term of 47 years (2009: 48 years).

As of 30 June 2010, the leasehold land of the Group together with the building as disclosed in Note 11 have been charged to a local licensed bank for credit facilities granted to a subsidiary company as disclosed in Note 21.

14. GOODWILL ON CONSOLIDATION

	The Group	
	2010	2009
	RM	RM
Goodwill on consolidation	137,141	137,141

As of 30 June 2010, 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	
	2010	2009
	RM	RM
Express delivery services	137,141	137,141

15. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2010	2009
	RM	RM
Unquoted shares - at cost	17,809,458	17,309,356
Less: Impairment	(239,950)	(239,950)
Net	17,569,508	17,069,406

On 21 December 2009, the Group and the Company undertook the following transactions:

(a) The Company acquired 100% equity interests in GD Logistic (M) Sdn. Bhd. ("GDL") from the directors for a cash consideration of RM100;

(b) The Company acquired 100% equity interests in GD Facilities & Assets Management Sdn. Bhd. from the directors for a cash consideration of RM2;

(c) GDL acquired 100% equity interests in GD Distribution Services Sdn. Bhd. from the directors for a cash consideration of RM2;

(d) GDL acquired 100% equity interests in GD Customised Solution Sdn. Bhd. from a family member of a director and a third party respectively for a cash consideration of RM2;

15. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

(e) GD Express Sdn. Bhd. ("GDE"), the wholly-owned subsidiary company, transferred its 100% equity interests in GD Venture (M) Sdn. Bhd. to the Company for a cash consideration of RM500,000; and

(f) GDE transferred its 100% equity interests in GD Secured Solutions Sdn. Bhd. (formerly known as GD Materials Distribution Sdn. Bhd.) to GDL for a cash consideration of RM100,000.

The effects of the above mentioned acquisitions on the financial results of the Group from date of acquisition to 30 June 2010 are as follows:

	2010 (6 months) RM
Administrative expenses	(3,849)
Other operating expenses	(3,695)
Loss before tax	(7,544)
Income tax expense	-
Decrease in Group profit attributable to shareholders	(7,544)

The effects of these acquisitions on the financial position of the Group as at 30 June 2010 are as follows:

	2010 RM
Property, plant and equipment	70,204
Other receivables and prepaid expenses	98,152
Cash and bank balances	5,304
Other payables and accrued expenses	(196,477)
Amount owing to directors	(29,702)
Net liabilities assumed	(52,519)

15. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

The fair values of the assets acquired and liabilities assumed from the acquisition of the subsidiary companies are as follows:

The Group	At acquisition date RM
Net liabilities assumed:	
Other receivables and prepaid expenses	49,322
Cash and bank balances	226
Other payables and accrued expenses	(64,923)
Amount owing to directors	(29,600)
	(44,975)
Consideration paid to acquire subsidiary companies	(106)
Goodwill on acquisition	(45,081)
Written off during the year	45,081
	-
Net cash inflow from acquisition:	
Cash and cash equivalents of subsidiary companies acquired	226
Less: Consideration paid	(106)
Cash flow on acquisition, net of cash acquired	120

15. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Details of the subsidiary companies are as follows:

	Country of Incorporation	Effective Equity Interest 2010 %	Effective Equity Interest 2009 %	Principal Activities
Direct Subsidiary Companies				
GD Express Sdn. Bhd.	Malaysia	100	100	Provision of express delivery services
GD Venture (M) Sdn. Bhd.	Malaysia	100	-	Provision of transportation services to related company
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
GD Logistic (M) Sdn. Bhd. *	Malaysia	100	-	Dormant
GD Facilities & Assets Management Sdn. Bhd. *	Malaysia	100	-	Dormant
Indirect Subsidiary Companies Held through GD Logistic (M) Sdn. Bhd.				
GD Secured Solutions Sdn. Bhd. (formerly known as GD Materials Distribution Sdn. Bhd.) *	Malaysia	100	-	Dormant
GD Distribution Services Sdn. Bhd. *	Malaysia	100	-	Dormant
GD Customised Solution Sdn. Bhd. *	Malaysia	100	-	Dormant
Indirect Subsidiary Companies Held through GD Express Sdn. Bhd.				
GD Venture (M) Sdn. Bhd.	Malaysia	-	100	Provision of transportation services to related company
GD Secured Solutions Sdn. Bhd. (formerly known as GD Materials Distribution Sdn. Bhd.) *	Malaysia	-	100	Dormant

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

16. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables consist of:

	The Group	
	2010	2009
	RM	RM
Trade receivables	21,811,200	18,367,649
Less: Allowance for doubtful debts	(2,060,857)	(2,232,350)
Net	19,750,343	16,135,299

The currency exposure profile of trade receivables is as follows:

	The Group	
	2010	2009
	RM	RM
Ringgit Malaysia	21,513,515	18,230,026
Singapore Dollar	297,685	137,623
	21,811,200	18,367,649

Trade receivables of the Group represent amounts receivable for the provision of express delivery services. The credit periods granted to customers range from 30 to 90 days (2009: 30 to 90 days).

During the financial year, bad debts amounting to RM525,416 (2009: RMNil) were written off against allowance for doubtful debts.

Other receivables and prepaid expenses consist of:

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Deposits for purchase of property, plant and equipment	2,164,736	-	-	-
Refundable deposits	995,423	933,442	-	1,500
Prepaid expenses	564,714	646,935	20,158	8,958
Other receivables	154,254	556,966	-	-
	3,879,127	2,137,343	20,158	10,458

In 2009, included in other receivables of the Group was an amount of RM474,695 arose from disposal of property, plant and equipment, and delivery and installation of customised front-end management system software in prior years. The said amount had been settled during the financial year.

Other receivables are denominated in Ringgit Malaysia.

17. RELATED PARTY TRANSACTIONS

Amount owing to directors, which arose from payments on behalf, is unsecured, interest-free and repayable on demand.

Amount owing by/to subsidiary companies, which arose mainly from management fee receivable, unsecured advances and payments on behalf, is interest-free and repayable on demand.

During the financial year, significant related party transactions are as follows:

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
With directors,				
Acquisition of subsidiary companies	104	-	102	-
With family member of a director,				
Acquisition of a subsidiary company	1	-	-	-
With subsidiary companies,				
GD Express Sdn. Bhd.				
Management fee receivable	-	-	180,000	180,000
Transfer of investment in subsidiary company	-	-	500,000	-
GD Technosystem Sdn. Bhd.				
Management fee receivable	-	-	180,000	-
With related party,				
GDX Private Limited				
Software training and maintenance services payable	879,000	879,000	-	-

18. SHARE CAPITAL

	The Group and The Company	
	2010	2009
	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	
	2010	2009	2010	2009
	RM	RM	RM	RM
Non-distributable:				
Share premium	618,070	618,070	618,070	618,070
Translation reserve	2,259	(56,488)	-	-
Revaluation reserve	408,721	417,542	-	-
	1,029,050	979,124	618,070	618,070
Distributable:				
Retained earnings	15,639,393	12,246,552	4,810,311	3,879,416
	16,668,443	13,225,676	5,428,381	4,497,486

Share premium

Share premium arose from the following:

	The Group and The Company	
	2010	2009
	RM	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.

19. RESERVES *cont'd*

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.

As of 30 June 2010, the Company is under the single tier tax system.

20. HIRE-PURCHASE PAYABLES

	The Group	
	2010 RM	2009 RM
Total outstanding	3,654,000	5,201,600
Less: Interest-in-suspense	(226,671)	(352,605)
Principal outstanding	3,427,329	4,848,995
Less: Amount due within 12 months (shown under current liabilities)	(2,068,503)	(2,714,260)
Non-current portion	1,358,826	2,134,735

The non-current portion is payable as follows:

	The Group	
	2010 RM	2009 RM
Within 1 - 2 years	985,808	1,616,043
Within 2 - 5 years	373,018	518,692
	1,358,826	2,134,735

The interest rates implicit in these hire-purchase obligations range from 5.50% to 7.81% (2009: 5.50% to 7.81%) per annum.

21. BORROWINGS - SECURED

	The Group	
	2010	2009
	RM	RM
Islamic debt facilities - Al Bai Bithaman Ajil	2,924,744	3,193,338
Less: Amount due within 12 months (shown under current liabilities)	(302,683)	(268,594)
Non-current portion	2,622,061	2,924,744

The non-current portion is repayable as follows:

	The Group	
	2010	2009
	RM	RM
Within 1 - 2 years	322,206	302,683
Within 2 - 5 years	1,096,757	1,030,304
Above 5 years	1,203,098	1,591,757
	2,622,061	2,924,744

As of 30 June 2010, the Group has Al Bai Bithaman Ajil Islamic debt and bank guarantee facilities totalling RM3,500,000 and RM53,100 (2009: RM3,500,000 and RMNil) respectively from local licensed banks. The Al Bai Bithaman Ajil Islamic debt bears profit at rates ranging from 6.27% to 7.18% (2009: 6.27% to 7.18%) per annum.

As of 30 June 2010, the Group has unutilised overdraft facilities totalling RM1,300,000 (2009: RM1,500,000) obtained from local licensed banks. The overdraft facilities bear interest at rates ranging from 6.05% to 8.25% (2009: 6.05% to 8.25%) per annum.

The Al Bai Bithaman Ajil Islamic debt, bank guarantee and overdraft facilities are secured by the following:

(a) A third party legal charge over the leasehold land and building of certain subsidiary companies as disclosed in Notes 13 and 11 respectively;

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

(c) Fixed deposits of subsidiary companies amounting to RM353,100 (2009: RM300,000) and fixed deposits of the Company of RM308,000 (2009: RM308,000).

22. PROVISION FOR RETIREMENT BENEFITS

	The Group	
	2010	2009
	RM	RM
At beginning of year	245,798	-
(Credit)/Charge to income statements (Note 7)	(172,693)	245,798
At end of year	73,105	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.

Principal assumptions used at the balance sheet date in respect of provision for retirement benefits are as follows:

	The Group	
	2010	2009
Discount rate	4%	4%
Average staff turnover rate	25%	25%

23. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2010	2009
	RM	RM
At beginning of year	(251,022)	(81,700)
Credit/(Charge) to income statements (Note 9):		
Property, plant and equipment	119,942	118,616
Trade receivables	22,000	(28,000)
Provision for retirement benefits	(43,000)	60,000
Other payables and accrued expenses	(53,000)	53,000
Unabsorbed capital allowances	(107,395)	(232,938)
	(61,453)	(29,322)
Credit/(Charge) to revaluation reserves	3,000	(140,000)
At end of year	(309,475)	(251,022)

23. DEFERRED TAX ASSETS/(LIABILITIES) *cont'd*

Certain deferred tax liabilities and deferred tax assets have been offset in accordance with the Group's accounting policy. The following is an analysis of the deferred tax balances (after offset):

	The Group	
	2010	2009
	RM	RM
Deferred tax assets	31,000	-
Deferred tax liabilities	(340,475)	(251,022)
	(309,475)	(251,022)

Deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects of the following:

	The Group	
	2010	2009
	RM	RM
Deferred tax assets (before offsetting):		
Temporary differences arising from:		
Property, plant and equipment	31,000	-
Trade receivables	515,000	493,000
Provision for retirement benefits	17,000	60,000
Other payables and accrued expenses	-	53,000
Unabsorbed capital allowances	-	107,395
	563,000	713,395
Offsetting	(532,000)	(713,395)
Deferred tax assets (after offsetting)	31,000	-
Deferred tax liabilities (before offsetting):		
Temporary differences arising from:		
Property, plant and equipment	(735,475)	(824,417)
Revaluation reserve	(137,000)	(140,000)
	(872,475)	(964,417)
Offsetting	532,000	713,395
Deferred tax liabilities (after offsetting)	(340,475)	(251,022)

23. DEFERRED TAX ASSETS/(LIABILITIES) *cont'd*

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax assets 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 2010, the estimated amount of deductible temporary differences, unused tax losses and unabsorbed capital allowances, for which the deferred tax assets have not been recognised in the financial statements due to uncertainty of its realisation, is as follows:

	The Group	
	2010 RM	2009 RM
Temporary deductible differences arising from trade receivables	-	260,000
Unused tax losses	953,000	953,000
Unabsorbed capital allowances	211,800	211,800
	1,164,800	1,424,800

The unused tax losses and 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 (2009: 30 days).

The currency exposure profile of trade payables is as follows:

	The Group	
	2010 RM	2009 RM
Ringgit Malaysia	2,651,041	3,129,935
Singapore Dollar	8,749	23,289
	2,659,790	3,153,224

24. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES *cont'd*

Other payables and accrued expenses consist of:

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Accrued staff costs	2,555,185	1,733,076	-	-
Service tax payable	765,853	644,522	-	-
Accrued expenses	711,578	540,780	25,996	26,000
Other payables	498,865	238,294	86,425	133,980
	4,531,481	3,156,672	112,421	159,980

Included in other payables of the Group is an amount of RM2,438 (2009: RMNil) 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.

Other payables are denominated in Ringgit Malaysia.

25. DIVIDENDS

	The Group and The Company	
	2010	2009
	RM	RM
In respect of financial year ended 30 June 2009:		
5% single tier dividend	1,285,930	-
Special 5% single tier dividend	1,285,930	-
In respect of financial year ended 30 June 2008:		
0.5%, less 25% tax	-	96,446
4.5% single tier dividend	-	1,157,338
	2,571,860	1,253,784

26. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Deposits with licensed banks	7,868,751	9,335,043	4,453,044	3,364,727
Cash and bank balances	3,953,782	1,949,918	83,381	73,619
	11,822,533	11,284,961	4,536,425	3,438,346
Less: Non cash and cash equivalents:				
Deposits pledged with licensed banks (Note 21)	(661,100)	(608,000)	(308,000)	(308,000)
	11,161,433	10,676,961	4,228,425	3,130,346

Deposits with licensed banks earn interest at rates ranging from 1.8% to 3.1% (2009: 1.8% to 3.1%) per annum. Deposits with licensed banks of the Group and of the Company have an average maturity term of 30 days (2009: 30 days).

Deposits of the Company amounting to RM300,000 (2009: RM300,000) is registered under the name of the subsidiary company which is held in trust for the Company.

The currency exposure profile of cash and bank balances is as follows:

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Ringgit Malaysia	3,742,884	1,743,748	83,381	73,619
Singapore Dollar	210,898	206,170	-	-
	3,953,782	1,949,918	83,381	73,619

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.

27. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES *cont'd*

(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 2010, 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.

27. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES *cont'd*

Fair Values

The carrying amounts and the estimated fair values of the financial instruments of the Group as of 30 June 2010 are as follows:

	The Group			
	2010		2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM	RM	RM	RM
Financial Liabilities				
Hire-purchase payables (Note 20)	3,427,329	3,542,184	4,848,995	5,008,590
Islamic debt facilities (Note 21)	2,924,744	3,246,994	3,193,338	3,321,233

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 values 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 2010, the Group has the following commitments in respect of rental of premises:

	Future minimum lease payments The Group	
	2010	2009
	RM	RM
Within 1 year	2,860,938	2,480,740
Within 1 - 2 years	1,106,512	1,994,360
Within 2 - 5 years	-	157,810
	3,967,450	4,632,910

29. CAPITAL COMMITMENTS

As of 30 June 2010, the Group has the following approved and contracted for commitments in respect of:

	The Group	
	2010	2009
	RM	RM
Purchase of leasehold land and building	18,720,000	-
Purchase of motor vehicles	758,585	-
	19,478,585	-

30. CONTINGENT LIABILITIES - UNSECURED

As of 30 June 2010, the Group and the Company have the following contingent liabilities:

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Legal claims in respect of litigations filed against a subsidiary company by former business partners	1,336,608	1,474,422	-	-
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
	1,336,608	1,474,422	14,800,000	14,800,000

The directors of the Group and 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.

31. SIGNIFICANT EVENT

On 22 December 2009, the Company announced that its wholly-owned subsidiary company, GD Facilities & Assets Management Sdn. Bhd., had entered into a sale and purchase agreement with a third party for the acquisition of a piece of leasehold land located at No. 17 Jalan Tandang, 46050 Petaling Jaya, for a total cash consideration of RM20,800,000.

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 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 2010 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 2010

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, 2010.

Before me,

COMMISSIONER FOR OATHS

Analysis of Shareholdings
as at 13 October 2010

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	29	2.402	1,337	0.000
100 -1,000	708	58.657	94,637	0.036
1,001-10, 000	236	19.552	1,167,350	0.453
10, 001-100,000	153	12.676	5,542,600	2.155
100,001 to less than 5% of issued shares	76	6.296	91,291,118	35.496
5% and above of issued shares	5	0.414	159,088,996	61.857
TOTAL	**1,207**	**100.000**	**257,186,038**	**100.000**

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.*

Analysis of Shareholdings
cont'd

INFORMATION ON DIRECTORS' SHAREHOLDING AS AT 13 OCTOBER 2010

		DIRECT INTEREST		INDIRECT INTEREST	
NO.	NAMES 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.

TOP THIRTY (30) SHAREHOLDER'S AS AT 13 OCTOBER 2010

NO	NAME	SHARES	%
1	GD EXPRESS HOLDINGS (M) SDN BHD	54,855,946	21.33
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR MERRILL LYNCH PIERCE FENNER & SMITH INCORPORATED (LOCAL RESIDENT)	33,900,000	13.18
3	CIMB GROUP 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	LEONG CHEE TONG	11,288,743	4.39
7	DING AH DIEH @ DING PIK CING	9,113,550	3.54
8	KONG HWAI MING	6,250,000	2.43
9	DING MEI SIANG	5,790,000	2.25

TOP THIRTY (30) SHAREHOLDER'S AS AT 13 OCTOBER 2010 *cont'd*

NO	NAME	SHARES	%
10	OSK NOMINEES (TEMPATAN) SDN BHD KWOK NGUK MOOI	5,485,000	2.13
11	AGNES CHAN WAI CHING	5,162,025	2.01
12	AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	4,050,000	1.57
13	LOI SIEW HOONG	3,650,000	1.42
14	HDM NOMINEES (ASING) SDN BHD PHILLIP SECURITIES PTE LTD FOR KONG HWAI MING	3,163,050	1.23
15	MARDIANA BINTI MOHAMED ZAIN	2,625,000	1.02
16	HDM NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR TAN PIAK HWEE ANTHONY	2,596,325	1.01
17	ESSEM CAPITAL SDN BHD	2,500,000	0.97
18	CHIA PHAY CHENG	2,476,650	0.96
19	HDM NOMINEES (ASING) SDN BHD UOB KAY HIAN PTE LTD FOR LEOW GEOK HONG	2,291,250	0.89
20	TEE CHERN JYU	2,219,000	0.86
21	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG SINGAPORE FOR YAP KIAN PENG	1,817,750	0.71
22	MA YUK PING WINNIE	1,331,250	0.52
23	HDM NOMINEES (ASING) SDN BHD PHILLIP SECURITIES PTE LTD FOR LAU CHEN HONG	1,106,200	0.43
24	CHAN MOON FOOK	1,087,500	0.42
25	HDM NOMINEES (ASING) SDN BHD LIM & TAN SECURITIES PTE LTD FOR NG HENG LEONG	1,055,375	0.41
26	HDM NOMINEES (ASING) SDN BHD UOB KAY HIAN PTE LTD FOR SOONG SIEW LI	894,375	0.35
27	KENANGA NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	846,200	0.33
28	CHEW KOK SIANG	801,725	0.31
29	CHAI KOH KHI	758,775	0.30
30	CHIN CHEE SUE	750,000	0.29
	TOTAL	238,198,739	92.62

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	Net Book Value as at 30.6.2010	Date of Revaluation
(1)	21, Jalan Tandang 46050 Petaling Jaya, Selangor	Vacant Land	29,757	99 years lease expiring 6 Nov 2057	-	2,691,489	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	37 years	5,852,478	20 June 2008

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting of the Company will be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 29 November 2010 at 11.00 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 2010. *(Please refer to Explanatory Note 1)*

2. To approve the payment of a first and final single tier dividend of 10% or 1 sen per share in respect of the financial year ended 30 June 2010. *(Resolution 1)*

3. To approve Directors' fees for the financial year ended 30 June 2010. *(Resolution 2)*

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

   4.1 Teong Teck Lean *(Resolution 3)*

   4.2 Liew Heng Heng *(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, with or without modifications:-

6. **Ordinary Resolution 1** *(Resolution 6)*
   - Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965

   "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. **Special Resolution** *(Resolution 7)*
- Amendments to the Articles of Association

"THAT the proposed amendments to the Articles of Association of the Company as contained in the Appendix 1 attached to the Annual Report 2010 be and are hereby approved."

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 DIVIDEND

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the members at the Seventh Annual General Meeting to be held on 29 November 2010, a first and final single tier dividend of 10% or 1 sen per share in respect of the financial year ended 30 June 2010, if approved, will be paid on 29 December 2010 to Depositors whose names appear in the Record of Depositors on 17 December 2010.

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 17 December 2010 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
4 November 2010

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 22 November 2010. Only a depositor whose name appears on the Record of Depositors as at 22 November 2010 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 11.00 a.m., Saturday, 27 November 2010 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.

The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

3. Item 7 of the Agenda

The proposed special resolution, if passed, will bring the Articles of Association of the Company in line with the amendments to the Listing Requirements of Bursa Malaysia Securities Berhad and for administrative purpose.

Appendix 1

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article	Existing Provisions	Amended Provisions	Rationale
To amend the definitions in Article 2	**Depositor** -Shall have the same meaning given in Section 2 of the Depositories Act. **Deposited Security** -Shall have the same meaning given in Section 2 of the Depositories Act. **Rules of the Depository** - Shall have the meaning given in section 2 of the Depositories Act.	Means a holder of a securities account established by the Depository. Means a security standing to the credit of a securities account and includes a security in a securities account that is in suspense. Means the Rules the Depository, including any amendment that may be made from time to time.	To reflect the definitions in the Listing Requirement.
To amend Article 82	A proxy shall be entitled to vote both on a show of hands and on a poll on any question at any General Meeting. 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(1)(a) and (b) of the Act shall not apply to the Company.	A proxy shall be entitled to vote both on a show of hands and on a poll on any question at any General Meeting. 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(1)(a) and (b) of the Act shall not apply to the Company. **A member shall not be precluded from attending and voting in person at any general meeting after lodging the form of proxy however such attendance shall automatically revoke the proxy's authority.**	To enable the shareholders to attend and vote at the General Meeting after lodging the proxy form.
To insert new Article 131A immediately after Article 131		**The office of the Secretary shall be vacated if the secretary resigns by notice in writing to the Company, left at the registered office and copies sent to all the Directors for the time being at their last known residential addresses. Where a Secretary gives notice of resignation to the Directors, the Secretary shall cease to act as Secretary with immediate effect, and unless provided in the terms of engagement, within the stipulated time.**	To provide for the resignation of secretary by notice in writing to the Company.

GD EXPRESS CARRIER BERHAD (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 Seventh Annual General Meeting of the Company to be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 29 November 2010 at 11.00 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 first and final single tier dividend of 10% or 1 sen per share in respect of the financial year ended 30 June 2010.		
2.	To approve Directors' fees for the financial year ended 30 June 2010.		
3.	To re-elect Teong Teck Lean 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 Liew Heng Heng 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 Amendments to the Articles of Association.		

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

** Delete if not applicable.*

Signed this ……….........….day of ……………….. 2010.

____
Signature/ Common Seal of Shareholders(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 22 November 2010. Only a depositor whose name appears on the Record of Depositors as at 22 November 2010 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

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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 11.00 a.m., Saturday, 27 November 2010 or any adjournment thereof.

Fold This Flap For Sealing

Fold along this line (1)

Please Affix
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

Fold along this line (2)

Our Stations

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

Belaga
086-461 689

Benta
09-323 9453

Bentong
09-223 5099

Butterworth
04-398 3930

Dungun
09- 848 1243

Gemas
07-948 1266

Gemencheh
06-431 9420

Gua Musang
09- 912 2046

Ipoh
05-282 3661

Ipoh
(Service Centre)
05-241 6678

Jerteh
09-697 8734

Johor Bahru
07-333 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

Machang
09-975 5852

Maran
019-913 9889

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 7027

Muar
06-9542650

Parit Buntar
05-716 9429

Penang
04-227 9358

Pontian
07-686 1430

Port Klang
03-3323 6063

Puchong
03-5882 2460

Pulau Ketam
03-3110 4076

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
03-5548 7413

Shah Alam
(Service Centre)
03-5122 9166

Setiawan
05-691 0372

Sungai Besi
03-9221 0193

Subang Jaya
03-5631 0688

Sungai Buloh
03-7846 1226

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
083-472 136

Bintulu
086-318 871

Bintagor
084-693 497

Dalat
084-864 250

Daro
084-823 786

Kanowit
084-752 715

Kapit
084-796 707

Kuching
082-232 306

Lundu
082-735 637

Lawas
085-285 369

Limbang
085-212 521

Marudi
085-765 560

Miri
085-434 148

Mukah
084-872 808

Sarikei
084-654 108

Saratok
083-436 003

Serian
082-876 618

Sri Aman
083-327 288

Sibu
084-218 063

Song
084-777 261

LABUAN

Labuan
087-425 880

SINGAPORE

Singapore
65-6396 5539