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GD EXPRESS CARRIER BERHAD (630579-A)

ANNUAL REPORT 2011

GD EXPRESS

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(630579-A)

contents

GD EXPRESS

Building Capacity for **Higher GROWTH**

As the Oak tree grows into maturity and strength, it spreads its branches upwards to draw more sunlight to sustain its growth. Its roots burrow deep in the soil to absorb more nutrients and to give it a stronger hold to withstand the storms.

Likewise, the growth of GDEX involves expanding its network to provide greater access for its customers. It also involves continuous improvement in its service standards to ensure greater service reliability.

The Oak Tree and GDEX. Building capacity for higher growth in the future.

Chairman's Statement

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

Dear Shareholders

I am pleased to present my seventh annual report to our fellow stake-holders for the financial year ended 30 June 2011. It had been a challenging year, with economic uncertainties in the West, social unrest in the Middle East and natural calamities elsewhere. Commodity prices spiked and inflation soared. At home, we are relatively stable. Against this backdrop, I am pleased to report that our Group continued to achieve reasonable progress.

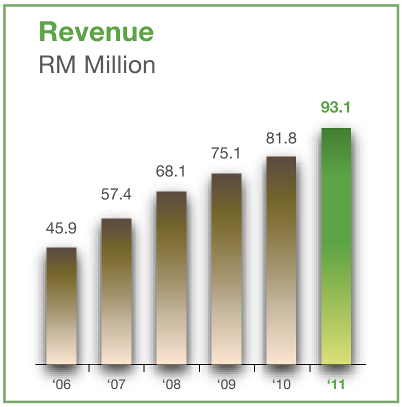
OUR PERFORMANCE IN 2011

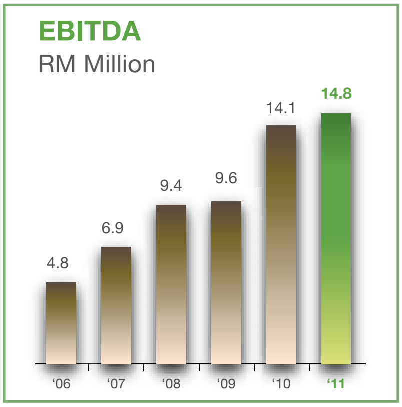
The substantial rise in the cost of living called for reasonable adjustments in our workers pay. This inevitably affected our bottom line but is necessary to maintain a stable workforce and quality service.

Meanwhile, the Group continued to invest in its facilities and infrastructure as the demand for our service is still strong.

I am pleased to report that the Group achieved an increase in sales and profitability for the year reviewed. Group's turnover increased 13.7% to RM93.07 million from RM81.84 million a year ago, while Group's pre-tax profit increased 19.4% to RM9.86 million from RM8.26 million previously. Net profit after tax increased 17.3% to RM6.98 million from RM5.95 million. Net earnings per share amounted to 2.71 sen per every 10 sen share against 2.31 sen previously and diluted earnings per share amounted to 2.51 sen.

Earnings before interest, tax, depreciation and amortization (EBITDA) increased by 5.3% from RM14.09 million to RM14.84 million.





DIVIDEND PAYMENT

In aspiring to become a significant player in the regional logistics sector, the Group must maintain balanced and sustainable growth. To support this, it is necessary to build up its capacities – in manpower, equipment and infrastructure.

It is this need to allocate its cash for reinvestment that we need to balance against the ability to pay dividend. I am pleased to announce that the Board of Directors has declared a first and final dividend of 12.5% for every 10 sen share resulting in a payout of RM3.21 million to our shareholders.

SIGNIFICANT DEVELOPMENTS

Our Group continued to expand its operations in line with higher demand for our service. Adopting a prudent approach, the Group constantly worked towards improving its operating efficiency and service quality, mindful that we need to meet the expectations of our customers while keeping our costs under control. For the year under review, our Group has undertaken the following:

- Leased a piece of property measuring 59,886 sq ft to house its logistics operations
- Established Courier Operation Command Centre to improve service quality
- Finalised plans to double the handling capacity of parcel sorting at HQ Hub
- Completed the installation of tail-gate for all its long haul vehicles
- Completed the issuance and listing of Warrants

CHALLENGES AND OPPORTUNITIES

The rapid advance in information technology has transformed social order and business model. This in turn has far reaching implications for our industry. Physical access has to catch up with information flow. Timely movement of packages becomes a necessity for business success and a way of life. As an express carrier group, the need to be ever vigilant and be prepared to respond to such developments is imperative.

The expansion of domestic giants from various regions into Malaysia and Singapore demonstrates the tremendous business potential in the industry. This increases the level of competition and it also forces the upgrade of service quality. On one hand, this will make survival harder for the existing players. On the other hand, it brings about new business opportunities for collaborating with them as they seek local business partners here. The entry of SingPost as a substantial shareholder of GDEX demonstrates the materialization of such opportunities. Meanwhile, most of these newcomers to Malaysia have chosen GDEX as their local partner. It also reflects the confidence of major foreign players in us.

Chairman's Statement
cont'd

To enhance our long term survival amongst the stiffer competition and to reap the benefits of collaboration in the fast changing industry, we need to strengthen our facilities by bigger capacity and achieving greater operational efficiency. That is why we need to raise our level of capital expenditure to build the capacity for economies of scale and to acquire better tools and equipment to achieve better service quality.

THE FUTURE

The Group continues to be cautious in cost control while maintaining a high standard in service quality to be ahead of competition. The increase in demand for our services necessitates our plan for capacity building, which in turn will bring about better economy of scale. In the long run, this will bring down costs to benefit our customers.

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 yet another dividend 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. I would also like to thank Mr Lau Wing Tat and Mr Kong Hwai Ming who have resigned from the Board for their contributions to the Group during their terms of office. At the same time, I take this opportunity to welcome Mr Ng Hin Lee 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

Preparing the groundwork for **higher growth**

To ensure steady and orderly growth, the GDEX group has taken steps to upgrade and expand its conveyor system and delivery system, introduce freight forwarding and warehousing services, as well as organise continuous executive training, network conference and agent familiarisation tours to brief and update its outstation agents on GDEX's progress and growth.







Leong Chee Tong
Chief Executive Officer and Executive Director

Review of Operations by

The Chief Executive Officer

The world economy experienced a liquidity-driven recovery in 2009/2010, thanks to the loose monetary policies adopted by the developed nations. But there was no sight of a convincing and sustainable upturn. Instead, actions undertaken by the developed world failed to address the problems. The world remains fragile and susceptible to adverse developments. Meanwhile, commodity prices soar, leading to sharp rise in the cost of living, which posted the biggest challenge to our business.

Against this background, I am pleased to present my CEO Review of Operations for the year.

For the financial year ended 30 June 2011, turnover increased 13.7% to RM93.07 million from RM81.84 million previously. Pre-tax profit improved 19.4% to RM9.86 million from RM8.26 million, while net profit increased 17.3% to RM6.98 million from RM5.95 million previously.

Demand for our services continued to grow. Despite improvement in operational efficiencies, the growing demand still stretched our operating resources. As we expect the growth trend in our business to continue, we need to invest further in infrastructure, processes and people to boost our operating capacity.

Like all ordinary workers in the world, GDEX staff felt the grave impact of rising cost of living as inflation rages on. To ensure that its pay packages are competitive to attract and retain good people, the Group carried out a major salary review for all its employees. Though the exercise inevitably impacted our bottom-line, it was necessary. We are in the service business. We need good people to deliver reliable service.

KEY FOCUS AREAS

In the year under review, the management has identified the areas on which to focus its attention in line with its long term strategy.

First is the nurturing of a talent pool. The consistent expansion of the Group has created many job openings in supervisory, executive and managerial positions, thus the need to constantly seek, train and groom employees with the right aptitude to fill these positions. The Group has implemented various programmes and re-organised its effort to achieve this objective.

Another is infrastructure development. We have upgraded all regional offices to improve their handling capabilities. We have also finalized plans to upgrade and expand the parcel sort conveyor system.

In anticipation of growing demand for integrated logistics service, the Group has decided to boost its warehousing facilities and develop its freight handling resources to complement its express delivery service.

One more area of focus is the collaboration with regional players in express deliveries into Malaysia and Singapore. While there is keener competition, there is also room for co-operation.

BUSINESS AND OPERATIONS

During the year, the Courier Division has set up an Operation Command Centre to command and control courier activities. It has also established a Shipment Monitoring Centre, Planning and Coordinating Centre and Operation Support Centre. These new setups served to improve our service quality.

In the effective functioning of our courier network, our Agents play an important role in providing good service coverage in remote destinations. To ensure conformity of operating procedures and service standards, we have embarked on Agents training and reinforced the Agents Standard Operating Guidelines.

The year also marked our foray into warehousing and freight forwarding. The strategic move would no doubt affect the Group's bottom line in its early stage but is essential to propel the Group to become a total logistics solution provider in the long run. During the year, the Group has leased a 59,886 square feet warehouse and started developing its freight clearance capabilities.

The recent entry of various regional giants into Malaysia and Singapore would inevitably intensify competition in the express carrier industry. But it has also provided opportunities for collaboration with these new foreign players in handling their "last-mile" deliveries in their so called "outskirt delivery areas". In this aspect, the Group has finalised arrangements with several of the foreign players to handle pickup and deliveries in areas they do not operate.

INFRASTRUCTURE, FACILITIES AND SYSTEM DEVELOPMENT

As part of the Group's efforts to build and expand its operational capabilities, we have completed the upgrade of most of our regional offices via bigger operation space, more trucks, upgraded equipment and more people. The upgrade has improved operation capacities of all our key branches.

At headquarters, we have also completed design and implementation plan of an expanded hub with a merger of premises and an upgraded parcel sort conveyor system. When completed, it would more than double our sorting capacity, thereby providing room for growth in our parcel delivery business. This new line has been fully operational in the first quarter of the current financial year.

During the year, we enhanced our express delivery facilities by expanding our vehicle fleet, from 296 to 331 trucks, while the combined carrying tonnage rose from 525 to 621 tons. All our 3 tonners and above have been fitted with tailgates to enable loading and unloading of large cargo and our Secured Line-haul Movable Compartments. We have also upgraded the GPS systems installed in all our long distance line-haul vehicles.

On operating system, we have completed the upgrade of our Proof of Delivery (POD) system to enable POD update online. Hence, customers will have faster access in tracing their consignments.

CORPORATE DEVELOPMENT

During the year, the Group announced and completed its one-for-five share warrant issue exercise which resulted in the creation of 51,437,207 warrants, which if fully exercised by the end of the five-year period, will result in the creation of an additional 51,437,207 new shares.

It has also obtained approval from the authorities for a special bumiputra issue to allocate 10% of GDEX shares to selected bumiputra institutions and individuals at a price to be determined later.

The year reviewed also saw the entry of Singapore Post (SingPost) as a substantial shareholder when it acquired 27.08% of GDEX shares. This effectively made GDEX an associate of SingPost.

The Group also set up a new subsidiary GDEX Regional Alliance Pte Ltd in Singapore for regional expansion.

HUMAN RESOURCE DEVELOPMENT

We have completed the restructuring of salary packages for our employees, taking into consideration the steep increase in the cost of living. At the same time, we have revamped our Performance Appraisal System which enables us to evaluate employees' performance based on achievement of specific KPIs.

Review of Operations by the Chief Executive Officer

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To attract and retain talent, the Group has implemented various programmes for human resource development such as Leadership Development Programme to commission and mentor branch and functional heads, Executive Trainee Scheme to prepare one for executive positions, GDEX Scholarship to seek and groom potential future leaders, and Industrial Attachment Programme to enlist good fresh graduates.

The Group also launched its Executive Higher Education Sponsorship Programme for its executives, which provides higher education and better career advancement for them.

During the year, we completed 18,720 man-hours of training for our employees compared to 17,336 man-hours in the previous year.

CORPORATE SOCIAL RESPONSIBILITY

The Group has started a community support programme for indigenous people. Under this outreach programme, we provide schooling necessities to Orang Asli children in Cameron Highlands in support of their continuous education.

GDEX Blood Donation Drive, now in its fifth year running, continued to draw support from GDEX staff, our neigbours and our customers. The blood donation drive netted a total of 227 pints of blood for the Blood Bank.

LOOKING AHEAD

The global economic outlook is not encouraging. Economic prospects of the developed world remain bleak with high unemployment, unsustainable debts and a distraught world financial order. Meanwhile, rising prices contribute to higher salary expectation and rising cost of doing business. New entrants to the industry at the same time, intensify competition. These are the challenges that we need to overcome to stay ahead.

On the bright side, rapid proliferation of the internet creates plentiful opportunities in B2B, B2C and P2P e-commerce which in turn presents room for growth for logistics service providers like us. We just have to be prepared for this new trend.

STRATEGIC FOCUS

Our key objective is to improve service quality and gain greater trust from customers. To achieve this, we need good and talented people, better processes and bigger capacity to keep up with the demand. Developing the talent pool will remain as one of our key strategies. We will also exploit new technologies and scrutinise our operation processes. Building bigger capacity require us to commit more resources to meet customers' needs. We need to be bold and yet prudent in managing our resources.

One key strategic focus is improved productivity. This is our key driver to stay ahead.

Moving forward, we need to become a total logistics solution provider, as customers expect one-stop solution for all their logistics needs. Hence, we shall develop our second engine of growth, in warehousing and freight management.

Lastly, we will continue to explore opportunities in the region.

ACKNOWLEDGEMENT

I would like to thank the Board of Directors for their guidance, in particular Mr Lau Wing Tat and Mr Kong Hwai Ming who have resigned from the Board in this financial year for their contributions to the Group.

Many thanks also to my fellow colleagues for their hard work and commitment. I also thank our customers, vendors, business service partners and government agencies for their support to help us grow.

I look forward to further progress and sustainable development in GDEX. I am confident that we are on the right path towards becoming the leading express carrier and a competent total logistics solution provider 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 Values 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.

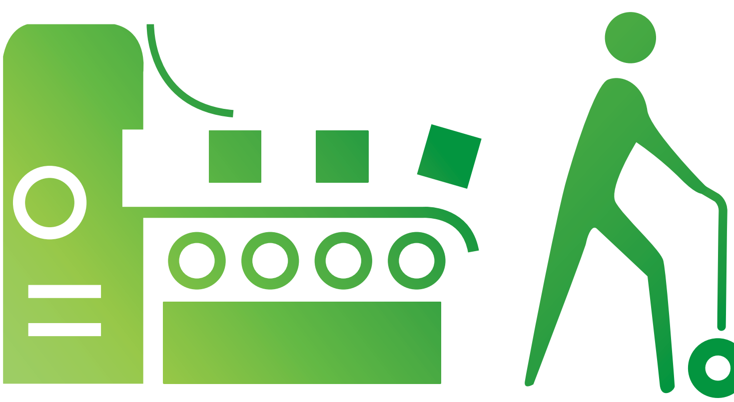
MISSION

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.



Strengthening the **Processes**

To pick up and deliver your shipment involves many processes. Over the years, GDEX has refined and improved these processes to give greater precision, lower cost and improvement in service quality. GDEX will engage in continuous improvement to make these processes even better.







seating from left to right

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

Teong Teck Lean
(Executive Deputy Chairman)

standing from left to right

Liew Heng Heng

Leong Chee Tong
(Executive Director & Chief Executive Officer)

Nolee Ashilin binti Mohammed Radzi

Ng Hin Lee

Directors' Profile

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid

Independent, Non-Executive Chairman, Malaysian aged 62

Dato' Capt. Ahmad Sufian was appointed as chairman on 8 February 2005 and is currently the Chairman of the Audit Committee, Combined Nomination and Remuneration Committee. He is also the Independent Non-Executive Chairman of WCT Berhad and Alam Maritim Resources Berhad, and an Independent Director of Malaysian Bulk Carriers Berhad and PPB Group Berhad. He qualified as a Master Mariner with a Masters Foreign-Going Certificate of Competency from the United Kingdom in 1974 and a Diploma in Applied International Management from the Swedish Institute of Management in 1984. He attended the Advanced Management Program (AMP) at Harvard in 1993. Dato' Sufian is a Fellow of the Chartered Institute of Logistics and Transport and the Institute Kelautan Malaysia. He has over 40 years of experience in the international maritime industry.

Teong Teck Lean

Executive Deputy Chairman, Malaysian aged 51

Mr Teong 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.

Leong Chee Tong

Executive Director and Chief Executive Officer, Singaporean aged 46

Mr Leong 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 will be in charge of the co-ordination and allocation of the Group's resources to ensure that the Group is able to provide services that can meet the standards set.

Ng Hin Lee

Non-Independent Non-Executive Director, Singaporean aged 55

Mr Ng was appointed to the board on 15 March 2011. He obtained his Bachelor of Accountancy degree from University of Singapore and is a Fellow Member of the Institute of Certified Public Accountants of Singapore. He is currently the Group Chief Financial Officer of Singapore Post Limited ("SingPost"). Prior to this, he was the Chief Executive Officer (Postal and Corporate Services) overseeing SingPost's mail business as well as its strategic acquisitions and corporate support services. Before joining SingPost, Mr Ng was the Executive Director of Valen Technologies (S) Pte Ltd. His career history included employment with KPMG, Banque Paribas (Singapore Branch), Data General Hong Kong Ltd and Gul Technologies Singapore Ltd. Mr Ng is the Chairman of Singapore Post Enterprise Private Limited, First Cube Pte Ltd and director of several boards of SingPost's subsidiaries which include Quantium Solutions International Pte Ltd and DataPost Pte Ltd. He is also a director of Proiam, Inc., Proiam Asia Pacific Pte Ltd, The Innovations Group, Inc. and Efficient E-Solutions Berhad.

Nolee Ashilin binti Mohammed Radzi

Independent Non-Executive Director, Malaysian aged 36

Cik Nolee was appointed to the board on 30 December 2004 and is currently a member of the Audit Committee, Combined Nomination and Remuneration Committee. 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.

Liew Heng Heng

Independent Non-Executive Director, Malaysian aged 54

Ms Liew was appointed to the board on 8 February 2005 and is currently a member of the Audit Committee, Combined Nomination and Remuneration Committee. 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.

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 ten (10) years.

Except for Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid and Mr Ng Hin Lee, the other directors hold no other Directorship in public Companies in Malaysia.

Strengthening the **GDEX culture**

The GDEX Group believes in the cultivation of a caring and responsible organisation. It participates regularly in community and social welfare activities such as blood donation drive, supporting the educational needs of Orang Asli children, and providing scholarships for deserving students. The Group also strives to foster teamwork and unity among its employees by organising team building activities such as fire drill, executive retreat and annual staff dinner.

Standing from left to right
Sundelasagran a/l Suppiah, Wong Eng Su, Tung Sook Wah, Lisa Chan, Kwok Nguk Mooi, Cheng Kee Leong, Marmizahsalwa Ahmad Tarmizi, Hazlin Abu Hasan

Senior Management Profile

Tung Sook Wah

Deputy Chief Executive Officer & Chief Financial Officer, aged 45

Ms Tung 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. Ms Tung joined GD Express 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 Group, aged 40

Mr Wong 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. Mr Wong 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 Group. He is responsible for the full compliance of sales and credit policies and achieving the sales and collection targets of the Group.

Senior Management Profile
cont'd

Lisa Chan

General Manager, Corporate Group, aged 53

Ms Chan 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. Ms Chan 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 Human Resource, Administration, Training, Security and Investigation, Facility Management, Domestic, Public Relations and Communications, Corporate Affairs and Corporate Compliance Unit. In 2010, she was promoted to General Manager, Corporate 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.

Cheng Kee Leong

Head of Fleet Division, aged 56

Mr Cheng 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. Mr Cheng joined GD Express in February 2002 and his responsibilities include the set-up, planning and implementation of proper control measures in vehicle operations.

Kwok Nguk Mooi

Head of Quality Assurance, Risk Management & Measurement Group, aged 37

Ms Kwok 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. Ms Kwok joined GD Express 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. On 5 March 2011, she received certification from American Society for Quality (ASQ) as Manager of Quality/Organizational Excellence.

Senior Management Profile
cont'd

Sundelasagran a/l Suppiah

Head of Transshipment Hub Division, aged 51

Mr Sundelasagran 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. Mr Sundelasagran joined GD Express in 2002 as an executive in the Transshipment Hub Division. He was promoted as Head of Transshipment Hub Division in 2003. In his current position, he is responsible for the full transshipment activities of documents and parcels.

Hazlin Abu Hasan

Head of Courier Division, aged 38

Encik Hazlin started his career as transport contractor for National Panasonic, Likom and Ranger Communication in 1992. Encik Hazlin joined GD Express 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 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 & Communications and Corporate Planning & Development Manager, aged 30

Cik Marmizahsalwa graduated with a Vice-Chancellor Award in Bachelor of Business Administration (International Business) First Class, from University Technology MARA. She was among the first batch of students selected under the GD Express scholarship programme. Upon her graduation in 2005, she joined GD Express as an executive in the Corporate Planning & Development Department. She was promoted as Head of Customer Service in 2007. In 2008, she was promoted as Head of Domestic, Public Relations & Communications. In 2011, she was given additional responsibility as a Manager for Corporate Planning & Development. She is responsible for promoting and maintaining good industrial and public relations as well as ensuring effective communications between management and staff.

Corporate Information

COMPANY SECRETARIES

WONG WAI FOONG (MAICSA 7001358)
LIM LEE KUAN (MAICSA 7017753)
SOO SHIOW FANG (MAICSA 7044946)

REGISTERED OFFICE

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Tel : 03-2264 8888
Fax : 03-2282 2733

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Selangor Darul Ehsan
Tel : 03-7787 2222
Fax : 03-7787 6686

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Garden 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)

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 six (6) members, comprising of:

- One Independent Non-Executive Chairman
- One Executive Director and Executive Deputy Chairman
- One Executive Director and Chief Executive Officer
- One 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 to 19 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 2011, the Board of Directors met five (5) times, which are as follows:-

- 16 August 2010
- 28 October 2010
- 24 November 2010
- 16 February 2011
- 23 May 2011

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	5/5	100
(ii)	Teong Teck Lean	4/5	80
(iii)	Leong Chee Tong	5/5	100
(iv)	Lau Wing Tat *(resigned on 15.03.2011)*	4/4	100
(v)	Kong Hwai Ming *(resigned on 24.05.2011)*	4/5	80
(vi)	Nolee Ashilin Binti Mohammed Radzi	4/5	80
(vii)	Liew Heng Heng	5/5	100
(viii)	Ng Hin Lee *(appointed on 15.03.2011)*	1/1	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 *(Resigned on 24.05.2011)*	*Non-Independent Non-Executive Director*
Members:	Liew Heng Heng	*Independent Non-Executive Director*
	Lau Wing Tat *(Resigned on 15.03.2011)*	*Non-Independent Non-Executive Director*
	Nolee Ashilin Binti Mohamed 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. BOARD OF DIRECTORS *cont'd*

1.9 Directors' Training

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

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

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

- Board of Directors Roles and Responsibilities in the Management of Statutory Bodies
- Bursa Malaysia – Launch of Sustainability Programme for Corporate Malaysia
- MIRA Workshop – What directors should know about the investor mindset
- The Securities Commission's New Corporate Governance Blueprint – What Does It Mean For Your Company
- The Global Supply Chain Summit
- Advocacy Sessions on Disclosure for CEOs and CFOs

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 2011 categorized into appropriate components are as follows:

	Executive Directors RM	Non-Executive Directors RM
Remuneration		
- Salaries and other emoluments	451,080	92,200
- Defined contribution plan (EPF)	48,312	-
- Fees	-	103,200
	499,392	195,400

2. DIRECTORS' REMUNERATION *cont'd*

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

Range of Remuneration	Number of Directors	
	Executive Directors	Non-Executive Directors
Below RM50,000	-	6
RM200,001 – RM250,000	1	-
RM250,001 – RM300,000	1	-

3. INVESTORS RELATIONS & SHAREHOLDERS COMMUNICATION

3.1 Investor Relations

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

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

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

3.2 Policy

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

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

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

Corporate Disclosure Policy and Procedures (CDPP)

On 19 August 2005 the Board of Directors of GEDX 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.

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

3.2 Policy *cont'd*

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.

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.

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

3.2 Policy *cont'd*

Designated Spokespersons

- The Designated spokespersons shall include the Chairman and Chief Executive Officer or any other suitable person appointed by the Board.
- The spokespersons may designate others to speak on behalf of the company on specific business issues to facilitate communication with the investment community or the media.
- Employees are not to respond to inquiries from the investment community or the media unless specifically asked to do so by an authorized spokesperson. All such queries shall be referred to the CDM.

3.3 Annual General Meeting

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

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

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

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

4.2 Internal Control

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

4.3 Relationship with Auditors

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

The role of the Audit Committee in relation to the external auditors is set out in the Audit Committee Report on pages 39 to 45 of the Annual Report.

4. ACCOUNTABILITY AND AUDIT *cont'd*

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 2011 on pages 50 to 117 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 58 to 59.

Statement made in accordance with the resolution of the Board of Directors dated 17 October 2011.

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

Additional Compliance Information

1. MATERIAL CONTRACTS

For the financial year ended 30 June 2011, there was no material contract entered into by the Company and its subsidiaries involving Directors' and/or substantial shareholders' interest, either still 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 2011 pursuant to the Shareholders' Mandate obtained by the Group at the Annual General Meeting held on 29 November 2010 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 2011 (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

During the financial year, the company has issued 51,437,207 free warrants to the shareholders on the basis of one (1) free warrant for every five (5) ordinary shares of RM0.10 each in GDEX held by the shareholders of the Company. The free warrants issue has been listed and completed on 8 February 2011.

Same as disclosed above, the Company does not have any options, warrants or convertible securities in issue or exercised during the financial year ended 30 June 2011.

Additional Compliance Information
cont'd

5. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme for the financial year ended 30 June 2011.

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 2011, the Group did not pay any non-audit fees to the external auditors.

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 2011.

9. PROFIT GUARANTEE

During the financial year ended 30 June 2011, 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 2011, 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 2011.

MEMBERSHIP

During the financial year, the Audit Committee comprises of following 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 *(Resigned on 24.05.2011)*	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 three (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;
- To consider other topics as defined by the Board of Directors;

TERMS OF REFERENCE *cont'd*

6. Duties and Responsibilities *cont'd*

- 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 2011, the Audit Committee met five (5) times on the following dates:-

- 16 August 2010
- 28 October 2010
- 24 November 2010
- 16 February 2011
- 23 May 2011

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 *(Resigned on 24.05.2011)*	4/5	80
(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 unaudited financial results of the Group before recommending them for approval by the Board of Directors;

(b) reviewed the annual audited financial statements of GDEX Group with the external auditors prior to submission to the Board of Directors for their approval. The review was to ensure that the financial reporting and disclosures are in compliance with:

- Provisions of the Companies Act, 1965;
- Listing Requirements of Bursa Malaysia Securities Berhad;
- Applicable approved accounting standards in Malaysia; and
- Other legal and regulatory requirements.

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

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

The activities of the Audit Committee include the following:- *cont'd*

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 arise within the Company or the Group.

During the financial year ended 30 June 2011, 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 comprises of three (3) personnel, one (1) department head and two (2) audit executive. This Internal Audit team is supported by three (3) other units within the Quality Assurance Group, namely Service Quality Unit, Process Compliance Unit and Measurement Unit, total twenty six (26) 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, and subsequently highlight findings and suggest recommendations for improvement.

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

The total cost incurred by the Internal Audit Department in relation to the conduct of the internal audit functions of the Group during the financial year ended 30 June 2011 amounted to RM119,503.

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.

Audit Committee Report
cont'd

INTERNAL AUDIT FUNCTION *cont'd*

Summary of activities that were carried out by the internal audit function include: *cont'd*

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 fifteen (15) branches:

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

   These fifteen (15) branches include Butterworth, Parit Bundar, Melawati, Segamat, Sungai Buloh, Ipoh, Johor Bahru, Kota Tinggi, Port Klang, Kuala Terengganu, Kuching, Bahau, Melaka, Kota Kinabalu and Puchong.

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 closely 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 internal audit functions were carried out by in-housed team where improvement opportunities are identified during internal audit reviews, recommendations are made and appropriate action plans are agreed with management, operational and functional units. 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 to 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.

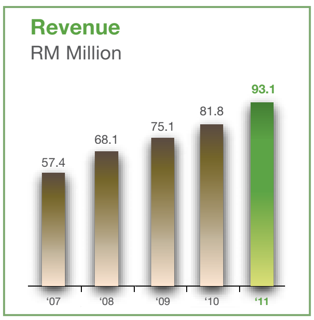
REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

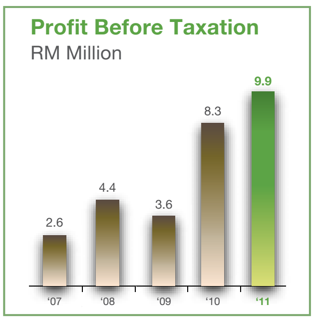
The external auditors have reviewed this Statement on Internal Control for the inclusion in the annual report of the Group for the year ended 30 June 2011 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

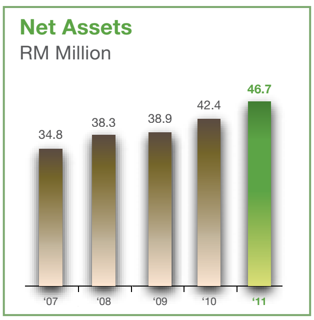
Statement made in accordance with the resolution of the Board of Directors dated 17 October 2011.

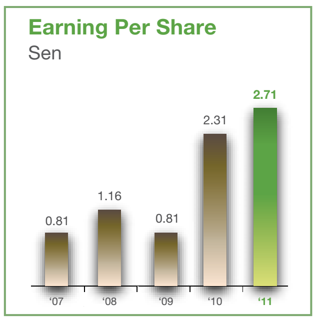
Financial Highlights

	Group year ended 30 June 2011 RM'000	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
Revenue	93,071	81,839	75,093	68,080	57,365
Profit from operations	10,350	8,301	3,850	4,442	2,605
Profit before tax	9,862	8,257	3,561	4,364	2,558
Profit after tax	6,976	5,953	2,082	2,976	2,087
Return on revenue	7%	7%	3%	4%	4%
Profit attributable to ordinary equity holders	6,976	5,953	2,082	2,976	2,087
Net assets	46,730	42,387	38,944	38,282	34,757
Paid-up capital	25,719	25,719	25,719	25,719	25,719
Shareholders' equity	46,730	42,387	38,944	38,282	34,757
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)	2.71	2.31	0.81	1.16	0.81
Net assets per share (RM)	0.18	0.16	0.15	0.15	0.14
Share price at end of financial year (RM)	1.010	0.450	0.440	0.615	0.970









financial statements

Directors' Report

The directors of GD EXPRESS CARRIER BERHAD have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2011.

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 RM	The Company RM
Profit before tax	9,862,428	4,488,057
Income tax expense	(2,886,132)	(64,078)
Profit for the year	6,976,296	4,423,979

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 EVENTS

(i) 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. This transaction was completed on 30 September 2010.

(ii) On 28 September 2010, the Company acquired the entire issued and paid-up share capital of GDEX Regional Alliance Pte. Ltd. for a total consideration of S$2.00.

(iii) On 10 November 2010, the Board announced that the Company proposed to undertake the following:

    (a) Proposed issue of 51,437,207 free warrants in the Company ("Free Warrants") on the basis of 1 Free Warrant for every 5 ordinary shares of RM0.10 each in the Company ("GDEX Shares") held by the shareholders of the Company ("Proposed Free Warrants Issue"), and

SIGNIFICANT EVENTS *cont'd*

(iii) On 10 November 2010, the Board announced that the Company proposed to undertake the following: *cont'd*

(b) Proposed Special Bumiputera Issue of up to 36,740,863 new GDEX Shares, representing 12.5% of the enlarged issued and paid-up share capital of the Company, to Bumiputera investors to be identified and/or approved by the Ministry of International Trade and Industry ("MITI") ("Proposed Special Bumiputera Issue").

The Proposed Free Warrants Issue was completed on 8 February 2011.

With regard to the Proposed Special Bumiputera Issue, approvals have been obtained from the shareholders of the Company, Bursa Malaysia Securities Berhad ("Bursa Securities"), Securities Commission and Ministry of International Trade and Industry. As of to date, the Proposed Special Bumiputera Issue has not been implemented.

DIVIDENDS

A 10% single tier dividend amounting to RM2,571,860 which was 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 12.5% single tier dividend amounting to RM3,214,825 in respect of the financial year ended 30 June 2011. The proposed dividend, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, has not been included as a liability in the financial statements.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

WARRANTS 2011/2016

On 8 February 2011, the issue of 51,437,207 free warrants on the basis of 1 free warrant for every 5 ordinary shares held by the entitled shareholders on the entitlement date has been completed upon admission of the warrants to the official list of Bursa Securities and the listing of and quotation for the warrants on the ACE market of Bursa Securities.

The Warrants 2011/2016 ("Warrants") of the Company are constituted by a Deed Poll dated on 11 January 2011.

The salient features of the Warrants 2011/2016 are as follows:

(a) The issue date of the Warrants is 8 February 2011 and the expiry date is 7 February 2016.

WARRANTS 2011/2016 *cont'd*

The salient features of the Warrants 2011/2016 are as follows: *cont'd*

(b) The Warrants can be exercised at any time during the period commencing from and inclusive of the date of issue of the Warrants up to and including the expiry date. Any Warrants not exercised during the exercise period will lapse and cease to be valid.

(c) Each Warrant entitles the registered holder to subscribe for 1 new ordinary share of the Company at the exercise price at any time during the exercise period and shall be subject to adjustments in accordance with the provision of the Deed Poll. The exercise price is fixed at RM0.585 based on a premium of up to 10% to the five-day volume weighted average market price prior to the price fixing date.

(d) The new ordinary shares arising from the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the existing issued ordinary shares of the Company, save and except that they will not be entitled to any right, allotment, dividend and/or any other distribution that may be declared, made or paid before the date of allotment and issue of the new ordinary shares of the Company.

The movements in the Company's Warrants are as follows:

	Number of warrants over ordinary shares of RM0.10 each			
	As of date of issuance 8.2.2011	Granted	Exercised	As of 30.6.2011
Number of unexercised Warrants	51,437,207	-	-	51,437,207

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 statements of comprehensive income and statements of financial position 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.

OTHER STATUTORY INFORMATION *cont'd*

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

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

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

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

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

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

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

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

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

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

DIRECTORS

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

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Teong Teck Lean
Leong Chee Tong
Liew Heng Heng
Y. B. Nolee Ashilin binti Mohammed Radzi
Ng Hin Lee *(appointed on 15.03.2011)*
Lau Wing Tat *(resigned on 15.03.2011)*
Kong Hwai Ming *(resigned on 24.05.2011)*

In accordance with Article 104 of the Company's Articles of Association, Mr. Leong Chee Tong and Y. B. Nolee Ashilin binti Mohammed Radzi retire by rotation at the forthcoming Annual General Meeting of the Company and, being eligible, offer themselves for re-election.

DIRECTORS *cont'd*

Mr. Ng Hin Lee, who was appointed to the Board since the last Annual General Meeting, retires under Article 91 of the Company's Articles of Association and, being eligible, offers himself for re-election at the forthcoming Annual General Meeting.

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 1.7.2010	Bought	Sold	As of 30.6.2011
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	-	(5,000,000)	6,288,743
Liew Heng Heng	125,000	-	-	125,000
Indirect interest				
Teong Teck Lean	137,551,496	3,000,000	(34,838,000)	105,713,496*
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	5,142,000	-	(517,000)	4,625,000^

* *Deemed interest by virtue of his and his spouse, Wang Herng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn. Bhd. (78,801,496 ordinary shares) and GD Holdings International Limited (26,912,000 ordinary shares) pursuant to Section 6(A)(4) of the Companies Act, 1965.*

^ *Deemed interest by virtue of his substantial shareholdings in Essem Capital Sdn. Bhd. (2,000,000 ordinary shares) pursuant to Section 6(A)(4) of the Companies Act, 1965 and disclosure is made pursuant to Section 134(12)(c) of the Companies Act, 1965 on interest held by his spouse, Mardiana Binti Mohamed Zain in the Company (2,625,000 ordinary shares).*

DIRECTORS' INTERESTS *cont'd*

	Number of warrants over ordinary shares of RM0.10 each			
	As of date of issuance 8.2.2011	**Bought**	**Sold**	**As of 30.6.2011**
Warrants in the Company				
Direct interests				
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	810,000	-	(610,000)	200,000
Teong Teck Lean	7,500	-	-	7,500
Leong Chee Tong	2,257,748	1,000,000	-	3,257,748
Liew Heng Heng	25,000	100,000	-	125,000
Indirect interest				
Teong Teck Lean	27,510,299*	-	-	27,510,299
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	1,025,000^	-	(1,025,000)	-

* *Deemed interest by virtue of his and his spouse, Wang Herng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn. Bhd. (16,760,299 warrants) and GD Holdings International Limited (10,750,000 warrants) pursuant to Section 6(A)(4) of the Companies Act, 1965.*

^ *Deemed interest by virtue of his substantial shareholdings in Essem Capital Sdn. Bhd. (500,000 warrants) pursuant to Section 6(A)(4) of the Companies Act, 1965 and disclosure is made pursuant to Section 134(12)(c) of the Companies Act, 1965 on interest held by his spouse, Mardiana Binti Mohamed Zain in the Company (525,000 warrants).*

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

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

DIRECTORS' BENEFITS

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

DIRECTORS' BENEFITS *cont'd*

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,
17 October 2011

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 statements of financial position of the Group and of the Company as of 30 June 2011 and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 60 to 115.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of the financial statements that give a true and fair view 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 2011 and of their financial performance and cash flows for the year then ended.

Independent Auditors' Report
to the Members of GD Express Carrier Berhad
(Incorporated in Malaysia)
cont'd

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.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on Note 32 to the Financial Statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

TEO SWEE CHUA
Partner - 2846/01/12 (J)
Chartered Accountant

17 October 2011

Statements of Comprehensive Income

for the year ended 30 June 2011

	Note	The Group 2011 RM	The Group 2010 RM	The Company 2011 RM	The Company 2010 RM
Revenue	6	93,070,879	81,839,195	4,325,000	4,325,000
Direct costs - transportation	7	(18,737,357)	(17,241,425)	-	-
Staff costs	7	(46,702,015)	(38,798,973)	-	-
Depreciation of property, plant and equipment	11	(3,592,025)	(5,220,907)	-	-
Amortisation of prepaid lease payments	13	(414,287)	(152,029)	-	-
Finance costs	8	(973,465)	(463,800)	-	-
Other operating expenses	7	(13,275,138)	(12,124,546)	(304,134)	(341,396)
Other operating income	7	485,836	419,660	467,191	454,648
Profit before tax		9,862,428	8,257,175	4,488,057	4,438,252
Income tax expense	9	(2,886,132)	(2,304,295)	(64,078)	(935,497)
Profit for the year		6,976,296	5,952,880	4,423,979	3,502,755
Other comprehensive income/(expense)					
Realisation from revaluation reserve to retained earnings		3,000	3,000	-	-
Exchange differences on translating foreign operations		(64,359)	58,747	-	-
Other comprehensive income/(expense) for the year, net of tax		(61,359)	61,747	-	-
Total comprehensive income for the year		6,914,937	6,014,627	4,423,979	3,502,755
Profit for the year attributable to:					
Owners of the Company		6,976,296	5,952,880	4,423,979	3,502,755
Total comprehensive income attributable to:					
Owners of the Company		6,914,937	6,014,627	4,423,979	3,502,755
Earnings per ordinary share					
Basic (sen)	10	2.71	2.31		
Diluted	10	2.51	-		

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

Statements of Financial Position
as of 30 June 2011

	Note	The Group 2011 RM	The Group 2010 RM	The Company 2011 RM	The Company 2010 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	23,816,586	14,403,393	-	-
Investment property	12	-	-	-	-
Prepaid lease payments	13	23,322,177	7,010,403	-	-
Goodwill on consolidation	14	137,141	137,141	-	-
Deferred tax assets	23	-	31,000	-	-
Investment in subsidiary companies	15	-	-	18,569,413	17,569,508
Total Non-Current Assets		47,275,904	21,581,937	18,569,413	17,569,508
Current Assets					
Inventories - at cost		477,530	371,278	-	-
Trade receivables	16	23,876,962	19,750,343	-	-
Other receivables and prepaid expenses	16	2,697,415	3,879,127	183,642	20,158
Amount owing by subsidiary companies	17	-	-	10,833,324	9,158,499
Deposits with licensed banks	26	5,393,088	7,868,751	3,415,724	4,453,044
Cash and bank balances	26	6,875,947	3,953,782	142,216	83,381
Total Current Assets		39,320,942	35,823,281	14,574,906	13,715,082
Total Assets		86,596,846	57,405,218	33,144,319	31,284,590

Statements of Financial Position
as of 30 June 2011
cont'd

	Note	The Group		The Company	
		2011	2010	2011	2010
		RM	RM	RM	RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	18	25,718,604	25,718,604	25,718,604	25,718,604
Reserves	19	21,011,520	16,668,443	7,280,500	5,428,381
Total Equity		46,730,124	42,387,047	32,999,104	31,146,985
Non-Current and Deferred Liabilities					
Hire-purchase payables - non-current portion	20	2,969,956	1,358,826	-	-
Borrowings (secured) - non-current portion	21	16,784,619	2,622,061	-	-
Provision for retirement benefits	22	163,187	73,105	-	-
Deferred tax liabilities	23	1,111,321	340,475	-	-
Total Non-Current and Deferred Liabilities		21,029,083	4,394,467	-	-
Current Liabilities					
Trade payables	24	2,194,110	2,659,790	-	-
Other payables and accrued expenses	24	6,543,229	4,531,481	113,637	112,421
Amount owing to subsidiary company	17	-	-	3,684	3,684
Amount owing to directors	17	4,345	33,790	5	-
Hire-purchase payables - current portion	20	2,343,436	2,068,503	-	-
Borrowings (secured) - current portion	21	7,068,105	302,683	-	-
Tax liabilities		684,414	1,027,457	27,889	21,500
Total Current Liabilities		18,837,639	10,623,704	145,215	137,605
Total Liabilities		39,866,722	15,018,171	145,215	137,605
Total Equity and Liabilities		86,596,846	57,405,218	33,144,319	31,284,590

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

Statements of Changes in Equity
for the year ended 30 June 2011

			Non-Distributable Reserves			Distributable	
The Group	**Note**	**Issued capital**	**Share premium**	**Translation reserve**	**Revaluation reserve**	**Reserve - Retained earnings**	**Total**
		RM	**RM**	**RM**	**RM**	**RM**	**RM**
As of July 2009		25,718,604	618,070	(56,488)	417,542	12,246,552	38,944,280
Other comprehensive income/(expense) for the year		-	-	58,747	(8,821)	11,821	61,747
Profit for the year		-	-	-	-	5,952,880	5,952,880
Total comprehensive income/(expense) for the year		-	-	58,747	(8,821)	5,964,701	6,014,627
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
As of 1 July 2010		25,718,604	618,070	2,259	408,721	15,639,393	42,387,047
Other comprehensive (expense)/income for the year		-	-	(64,359)	(8,821)	11,821	(61,359)
Profit for the year		-	-	-	-	6,976,296	6,976,296
Total comprehensive (expense)/income for the year		-	-	(64,359)	(8,821)	6,988,117	6,914,937
Dividends	25	-	-	-	-	(2,571,860)	(2,571,860)
As of 30 June 2011		25,718,604	618,070	(62,100)	399,900	20,055,650	46,730,124

Statements of Changes in Equity
for the year ended 30 June 2011
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 2009		25,718,604	618,070	3,879,416	30,216,090
Total comprehensive income for the year		-	-	3,502,755	3,502,755
Dividends	25	-	-	(2,571,860)	(2,571,860)
As of 30 June 2010/1 July 2010		25,718,604	618,070	4,810,311	31,146,985
Total comprehensive income for the year		-	-	4,423,979	4,423,979
Dividends	25	-	-	(2,571,860)	(2,571,860)
As of 30 June 2011		25,718,604	618,070	6,662,430	32,999,104

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

Statements of Cash Flows
for the year ended 30 June 2011

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit for the year	6,976,296	5,952,880	4,423,979	3,502,755
Adjustments for:				
Income tax expense	2,886,132	2,304,295	64,078	935,497
Depreciation of property, plant and equipment	3,592,025	5,220,907	-	-
Finance costs	973,465	463,800	-	-
Amortisation of prepaid lease payments	414,287	152,029	-	-
Allowance for doubtful debts	119,389	353,923	-	-
Provision for retirement benefit/(Provision for retirement benefits no longer required)	90,082	(172,693)	-	-
Goodwill on consolidation written off	-	45,081	-	-
Dividend income from subsidiary company	-	-	(4,325,000)	(4,325,000)
Gain on disposal of property, plant and equipment	(153,728)	(128,690)	-	-
Interest income	(190,773)	(193,424)	(107,191)	(94,648)
Operating Profit Before Working Capital Changes	14,707,175	13,998,108	55,866	18,604
(Increase)/Decrease in:				
Inventories	(106,252)	12,027	-	-
Trade receivables	(4,264,298)	(3,959,769)	-	-
Other receivables and prepaid expenses	(820,300)	472,274	(163,484)	(9,700)
Increase/(Decrease) in:				
Trade payables	(466,218)	(493,434)	-	-
Other payables and accrued expenses	1,043,098	1,357,096	1,216	(47,559)
Cash Generated From/(Used In) Operations	10,093,205	11,386,302	(106,402)	(38,655)
Income tax (paid)/refund	(2,424,329)	(1,117,617)	(57,689)	52,939
Net Cash From/(Used In) Operating Activities	7,668,876	10,268,685	(164,091)	14,284

Statements of Cash Flows
for the year ended 30 June 2011
cont'd

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
(Increase)/Decrease in amount owing by subsidiary companies	-	-	(1,674,825)	597,425
Investment in subsidiary companies	-	-	(999,905)	(500,000)
(Increase)/Decrease in deposits for the purchase of property, plant and equipment	2,013,786	(2,164,736)	-	-
Additions to property, plant and equipment*	(7,156,676)	(1,487,100)	-	-
Additions to prepaid lease payments*	(16,726,061)	-	-	-
Acquisition of subsidiary companies, net of cash acquired (Note 15)	-	120	-	(102)
Proceeds from disposal of property, plant and equipment	226,599	192,047	-	-
Interest received	190,773	193,424	107,191	94,648
(Increase)/Decrease in fixed deposits pledged with licensed banks	(1,442)	(53,100)	-	-
Dividends received	-	-	4,325,000	3,460,000
Net Cash (Used In)/From Investing Activities	(21,453,021)	(3,319,345)	1,757,461	3,651,971
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES				
Increase/(Decrease) in:				
Amount owing to directors	(29,697)	4,190	5	-
Amount owing to subsidiary company	-	-	-	3,684
Repayment of Islamic debt facilities	(302,691)	(268,594)	-	-
Net proceeds from bank borrowings	21,230,671	-	-	-
Payments of hire-purchase payables	(3,257,748)	(3,174,575)	-	-
Finance costs paid	(973,465)	(463,800)	-	-
Dividends paid	(2,571,860)	(2,571,860)	(2,571,860)	(2,571,860)
Net Cash From/(Used In) Financing Activities	14,095,210	(6,474,639)	(2,571,855)	(2,568,176)

Statements of Cash Flows
for the year ended 30 June 2011
cont'd

		The Group		The Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		311,065	474,701	(978,485)	1,098,079
Effect of exchange differences		133,995	9,771	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		11,161,433	10,676,961	4,228,425	3,130,346
CASH AND CASH EQUIVALENTS AT END OF YEAR	26	11,606,493	11,161,433	3,249,940	4,228,425

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

	The Group	
	2011	2010
	RM	RM
Purchase of:		
Property, plant and equipment	13,035,448	3,240,458
Prepaid lease payment	16,726,061	-
	29,761,509	3,240,458
Financed by:		
Cash payments	7,156,676	1,487,100
Other payables	763,759	-
Hire-purchase	5,115,013	1,753,358
Term loan	16,726,061	-
	29,761,509	3,240,458

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 17 October 2011.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Adoption of New and Revised Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the new and revised FRSs and Issues Committee Interpretations ("IC Interpretations") issued by the Malaysian Accounting Standards Board ("MASB") that are effective for annual periods beginning on or after 1 July 2010 as follows:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 1	First-time Adoption of Financial Reporting Standards (Revised)
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations)
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)
FRS 3	Business Combinations (Revised)
FRS 4	Insurance Contracts
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary)
FRS 7	Financial Instruments: Disclosures
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets - effective date and transition)

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

Adoption of New and Revised Financial Reporting Standards *cont'd*

FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs (Revised)
FRS 124	Related Party Disclosure (Revised)
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 127	Consolidated and Separate Financial Statements (Revised)
FRS 132	Financial Instruments: Presentation (Amendments relating to puttable financial instruments and obligations arising on liquidation and transitional provision relating to compound instruments)
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue)
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)
FRS 139	Financial Instruments: Recognition and Measurement
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)
Improvements to FRSs issued in 2009	
IC Interpretations 9	Reassessment of Embedded Derivatives
IC Interpretations 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives)
IC Interpretations 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 and revised FRS 3)
IC Interpretations 10	Interim Financial Reporting and Impairment
IC Interpretations 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretations 12	Service Concession Arrangements
IC Interpretations 13	Customer Loyalty Programmes
IC Interpretations 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
IC Interpretations 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretations 17	Distributions of Non-cash Assets to Owners

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

Adoption of New and Revised Financial Reporting Standards *cont'd*

The adoption of these new and revised FRSs and IC Interpretations did not have any effect on financial performance or position of the Group and of the Company except for those discussed below:

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 process for managing capital.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions of the standard. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 30 June 2011.

FRS 101 Presentation of Financial Statements (Revised)

The revised 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 a third statement of financial position in the event that the entity has applied new accounting policies retrospectively. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners with all non-owner changes in equity presented as a single line. The standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

There is no impact on the Group's and the Company's financial statements as this change in accounting policy affects only the presentation of the Group's and the Company's financial statements.

The revised FRS101 was adopted retrospectively by the Group and the Company.

FRS 3 Business Combinations (Revised)

The revised FRS 3:

- allows a choice on a transaction-by-transaction basis for measurement of non-controlling interests (previously referred to as 'minority interests') 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 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 the 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 profit or loss;

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

Adoption of New and Revised Financial Reporting Standards *cont'd*

The adoption of these new and revised FRSs and IC Interpretations did not have any effect on financial performance or position of the Group and of the Company except for those discussed below: *cont'd*

FRS 3 Business Combinations (Revised) *cont'd*

The revised FRS 3: *cont'd*

- 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 profit or loss, whereas previously they were accounted for as part of the cost of the business combination.

This standard was adopted prospectively by the Group.

FRS 8 Operating Segment

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purpose of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the related comparative information, are shown in Note 5.

FRS 127 Consolidated and Separate Financial Statements (Revised)

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

Under FRS 127 (Revised), increase or decreases in ownership interests in subsidiary companies that do not result in the Group losing control over the subsidiary companies are dealt with in equity and attributed to the owners of the parent, with no impact on goodwill or profit or loss. When control of a subsidiary company is lost as a result of a transaction, event or other circumstance, FRS 127 (Revised) requires that the Group derecognised 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 profit or loss.

This standard was adopted prospectively by the Group.

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

Adoption of New and Revised Financial Reporting Standards *cont'd*

The adoption of these new and revised FRSs and IC Interpretations did not have any effect on financial performance or position of the Group and of the Company except for those discussed below: *cont'd*

FRS 139 Financial Instruments: Presentation and Measurement

The Group and the Company have adopted FRS 139 prospectively on 1 July 2010 in accordance with the transitional provisions in FRS 139. On that date, financial assets were classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Financial liabilities were either classified as financial liabilities at fair value through profit or loss or other financial liabilities (i.e. those financial liabilities which are not held for trading or designated as at fair value through profit or loss upon initial recognition). The accounting policies for financial assets and financial liabilities are as disclosed in Note 3.

The adoption of FRS139 has resulted in interest bearing bank borrowings being recorded at the proceeds received, net of transaction cost. Transaction cost is amortised over the period of the bank borrowings in the profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are settled in the period in which they rise. As the revised accounting policy has been applied prospectively, the change has no impact on the amount reported for 2010.

The adoption of standards does not have any material impact to the Group's and the Company's financial statements.

FRSs, Amendments to FRSs and IC Interpretations issued but not yet effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and IC Interpretations which were issued but not yet effective and not early adopted by the Group and the Company are as listed below:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS 7 Disclosures for First-time Adopters)[1]
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemptions for First-time Adopters)[1]
FRS 2	Share-based Payment (Amendments relating to group cash-settled share based payment transaction)[1]
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)[1]
FRS 124	Related Party Disclosure (Revised)[2]
Improvements to FRSs 2010[1]	
IC Interpretation 4	Determining whether an arrangement contains a lease[1]
IC Interpretation 15	Agreements for the Construction of Real Estate[3]
IC Interpretation 18	Transfers of Assets from Customers[4]
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments[5]

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

Adoption of New and Revised Financial Reporting Standards *cont'd*

The adoption of these new and revised FRSs and IC Interpretations did not have any effect on financial performance or position of the Group and of the Company except for those discussed below: *cont'd*

FRSs, Amendments to FRSs and IC Interpretations issued but not yet effective *cont'd*

[1] Effective for annual periods beginning on or after 1 January 2011
[2] Effective for annual periods beginning on or after 1 January 2012
[3] Original effective date of 1 July 2010 deferred to 1 January 2012 via amendment issued by MASB on 31 August 2010
[4] Applies prospectively to transfers of assets from customers received on or after 1 January 2011
[5] Effective for annual periods beginning on or after 1 July 2011

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

The directors anticipate that the adoption of the above standards and interpretations, when they become effective, are not expected to be relevant or have material impact on the financial statements of the Group and of the Company in the period of initial application.

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. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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 statements of comprehensive income 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 statements of comprehensive income.

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 the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that 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 that 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 statements of comprehensive income 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 profit or loss for the year.

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

Employee Benefits

(a) Short-Term Employee Benefits

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

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Employee Benefits *cont'd*

(b) Post-employment Benefits

(i) Defined Contribution Plan

The Group makes contributions to approved provident fund and contributions are charged to profit or loss. 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 profit or loss 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 end of the reporting period. 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 "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.

The carrying amount of deferred tax assets, if any, is reviewed at the end of each reporting period 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.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Income Tax *cont'd*

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 profit or loss, 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 the end of each reporting period, 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 profit or loss, 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 profit or loss 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Goodwill on Consolidation *cont'd*

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 profit or loss. 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 profit or loss to the extent that it offsets the previously recorded decrease.

Depreciation on revalued building is charged to profit or loss. 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:

	2011	**2010**
Buildings	2%	2%
Office equipment, furniture and fittings	12.5%	12.5%
Computer hardware and software	20% - 33.3%	20% - 33.3%
Tools and equipment	12.5%	12.5%
Motor vehicles	12.5%	20%
Renovation	20%	20%

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.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Property, Plant and Equipment *cont'd*

The Group revised its depreciation rates for motor vehicles from 20% to 12.5% with effect from 1 July 2010 to reflect more realistically the estimated remaining economic useful lives of the assets. The effect of this change in accounting estimate is disclosed in Note 11.

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 profit or loss. 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 profit or loss 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 profit or loss 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 profit or loss 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.

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 end of each reporting period, and are discounted to present value where the effect is material.

At the end of each reporting period, 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 Instruments

Financial instruments are recognised in the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instruments.

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

(a) Financial Assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investments, 'available-for-sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

(a) Financial Assets *cont'd*

(iii) Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Receivables assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

In respect of receivables carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

(iv) Derecognition of Financial Assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when they transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Group and the Company recognise their retained interest in the asset and an associated liability for amounts they may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

(b) Financial Liabilities and Equity Instruments

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

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

(b) Financial Liabilities and Equity Instruments *cont'd*

(i) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of their liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

(ii) Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

(iii) Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or a shorter period, to the net carrying amount on initial recognition.

(iv) Derecognition of Financial Liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire.

Statements of Cash Flows

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

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 end of each reporting period, 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 its 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.

Useful Lives of Property, Plant and Equipment

As described in Note 3, the Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' estimated economic useful life. Management estimates the useful lives of the motor vehicles to be 8 years. These are common life expectancies applied in courier service industry. Changes in the level of usage could impact the economic useful lives and the residual value of these assets, therefore future depreciation charges could be revised. The carrying amounts of the Group's property, plant and equipment at the end of the reporting period are disclosed in Note 11.

5. SEGMENT REPORTING

Business Segments

No business segment is presented as the Group is principally engaged in the provision of express delivery services.

5. SEGMENT REPORTING *cont'd*

Geographical Segments

Group's operations are mainly located in Malaysia and Singapore. The following is an analysis of the Group's revenue by geographical market:

	Revenue by geographical market	
	2011	**2010**
	RM	**RM**
Malaysia	92,033,375	81,012,386
Singapore	1,037,504	826,809
	93,070,879	81,839,195

The following is an analysis of the carrying amount of segment non-current assets by the geographical area in which the assets are located:

	Carrying amount of segment non-current assets	
	2011	**2010**
	RM	**RM**
Malaysia	46,519,908	20,771,425
Singapore	755,996	810,512
	47,275,904	21,581,937

6. REVENUE

	The Group		The Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Income from provision of express delivery services	93,070,879	81,839,195	-	-
Dividend income from subsidiary company	-	-	4,325,000	4,325,000
	93,070,879	81,839,195	4,325,000	4,325,000

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	
	2011	2010	2011	2010
	RM	RM	RM	RM
Interest income	190,773	193,424	107,191	94,648
Gain on disposal of property, plant and equipment	153,728	128,690	-	-
Goodwill on consolidation written off	-	(45,081)	-	-
Realised loss on foreign exchange	-	(70,778)	-	-
Provision for retirement benefits no longer required/(Provision for retirement benefits) (Note 22)	(90,082)	172,693	-	-
Auditors' remuneration:				
Statutory:				
Current year	(94,558)	(66,500)	(28,000)	(26,000)
Underprovision in prior year	(1,000)	-	-	-
Others	-	(2,000)	-	(2,000)
Directors' remuneration:				
Salaries and other emoluments	(543,280)	(495,500)	(6,200)	(20,600)
Fees	(103,200)	(139,200)	(103,200)	(103,200)
Employees Provident Fund	(48,312)	(49,851)	-	-
Allowance for doubtful debts	(119,389)	(353,923)	-	-
Rental of premises	(2,837,614)	(2,994,048)	-	-

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 RM3,265,368 (2010: RM2,723,284).

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.

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

Compensation of Key Management Personnel

The remuneration of key management personnel, excluding directors, during the year are as follows:

	The Group	
	2011	**2010**
	RM	**RM**
Short-term employee benefits	515,374	416,642
Defined contribution plans	49,128	34,184
	564,502	450,826

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

	The Group		The Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Directors of the Company:				
Executive:				
Salaries and other emoluments	451,080	474,900	-	-
Employees Provident Fund	48,312	49,851	-	-
	499,392	524,751	-	-
Non-Executive:				
Salaries and other emoluments	92,200	20,600	6,200	20,600
Fees	103,200	139,200	103,200	103,200
	195,400	159,800	109,400	123,800
	694,792	684,551	109,400	123,800

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 RMNil (2010: RM16,800).

8. FINANCE COSTS

	The Group	
	2011	2010
	RM	RM
Interest expense/Profit payments on:		
Hire-purchase	300,493	268,425
Term loan	498,219	-
Islamic debt facilities - Al Bai Bithaman Ajil	174,689	192,614
Bank overdraft	64	2,761
	973,465	463,800

9. INCOME TAX EXPENSE

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Estimated tax payable:				
Current year	2,095,435	2,317,412	65,000	930,000
(Over)/Underprovision in prior years	(14,149)	(74,570)	(922)	5,497
	2,081,286	2,242,842	64,078	935,497
Deferred tax (Note 23):				
Current year	806,666	165,453	-	-
Overprovision in prior years	(1,820)	(104,000)	-	-
	804,846	61,453	-	-
	2,886,132	2,304,295	64,078	935,497

9. INCOME TAX EXPENSE *cont'd*

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	
	2011	2010	2011	2010
	RM	RM	RM	RM
Profit before tax	9,862,428	8,257,175	4,488,057	4,438,252
Tax at tax rate of 25%	2,465,607	2,064,294	1,122,014	1,109,563
Effect of different tax rates	(8,633)	-	-	-
Tax effects of:				
Income that are not taxable in determining taxable profit	-	-	(1,081,250)	(216,250)
Expenses that are not deductible in determining taxable profit	499,249	483,571	24,236	36,687
Realisation of deferred tax asset previously not recognised	(54,122)	(65,000)	-	-
Under/(Over)provision in prior years:				
Current tax	(14,149)	(74,570)	(922)	5,497
Deferred tax	(1,820)	(104,000)	-	-
Income tax expense	2,886,132	2,304,295	64,078	935,497

10. EARNINGS PER ORDINARY SHARE

Basic

The basic earnings per ordinary share of the Group has been calculated by dividing profit for the year attributable to owners of the Company by the number of ordinary shares in issue during the year.

	The Group	
	2011	2010
	RM	RM
Net profit attributable to owners of the Company	6,976,296	5,952,880

10. EARNINGS PER ORDINARY SHARE *cont'd*

Basic *cont'd*

	The Group	
	2011	**2010**
	Shares	**Shares**
Number of shares in issue	257,186,038	257,186,038
Basic earnings per ordinary share (sen)	2.71	2.31

Fully Diluted

The dilutive earnings per share of the Group has been calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares that would have been issued upon full exercise of the remaining Warrants, adjusted by the number of such shares that would have been issued at fair value as follows:

	The Group
	2011
	RM
Net profit attributable to owners of the Company	6,976,296

	2011
	Shares
Weighted average number of ordinary shares outstanding	257,186,038
Effect of dilution:	
Warrant	20,543,197
Adjusted weighted average number of ordinary shares	277,729,235
Diluted earnings per share (sen)	2.51

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Buildings RM	Office equipment, furniture and fittings RM	Computer hardware and software RM	Tools and equipment RM	Motor vehicles RM	Renovation RM	Total RM
Cost/Valuation							
As of 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 July 2010	1,600,000	4,545,236	9,572,257	1,677,883	19,968,915	4,440,607	41,804,898
Additions	4,882,765	978,799	730,532	99,259	5,269,594	1,074,499	13,035,448
Disposals	-	(5,850)	-	-	(442,328)	-	(448,178)
Exchange differences	-	1,753	367	88	56,936	6,651	65,795
As of 30 June 2011	6,482,765	5,519,938	10,303,156	1,777,230	24,853,117	5,521,757	54,457,963
Representing:							
At cost	4,882,765	5,519,938	10,303,156	1,777,230	24,853,117	5,521,757	52,857,963
At valuation	1,600,000	-	-	-	-	-	1,600,000

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

The Group	Buildings 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 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 2010/1 July 2010	66,436	2,394,120	8,376,588	656,857	12,647,492	3,260,012	27,401,505
Charge for the year	106,459	532,007	629,324	162,250	1,550,885	611,100	3,592,025
Disposals	-	(3,301)	-	-	(372,006)	-	(375,307)
Exchange differences	-	827	297	45	16,482	5,503	23,154
As of 30 June 2011	172,895	2,923,653	9,006,209	819,152	13,842,853	3,876,615	30,641,377
Net Book Value							
Representing:							
At cost	4,809,524	2,596,285	1,296,947	958,078	11,010,264	1,645,142	22,316,240
At valuation	1,500,346	-	-	-	-	-	1,500,346
As of 30 June 2011	6,309,870	2,596,285	1,296,947	958,078	11,010,264	1,645,142	23,816,586
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

Included in property, plant and equipment of the Group are property, plant and equipment under hire-purchase arrangements with net book value of approximately RM8,697,900 (2010: RM5,895,600).

As mentioned in Note 3, the Group revised its depreciation rate for motor vehicles from 20% to 12.5% with effect from 1 July 2010 to reflect more realistically the estimated remaining economic useful lives of the assets. The effect of this change in accounting estimate is a decrease in depreciation charge for the year amounting to approximately RM1,795,400.

As of 30 June 2011, the building of the Group with net book value amounting to RM6,309,870 (2010: RM1,533,564) together with the leasehold land as disclosed in Note 13 have been charged to a local licensed bank for credit facilities granted to subsidiary companies as disclosed in Note 21.

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

Included in the cost of property, plant and equipment of the Group is an amount of approximately RM17,926,700 (2010: RM13,416,000) 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.

No adjustment has been made to the carrying amount of the building of the Group since 2008 as the directors, based on valuation carried out on 12 July 2011 by Raine & Horne International Zaki & Partners Sdn Bhd, an independent firm of valuers that was not related to the Group, regards the carrying value to approximate the market value.

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

	The Group	
	2011	2010
	RM	RM
Cost	1,064,516	1,064,516
Accumulated depreciation	(97,749)	(76,459)
Net book value	966,767	988,057

12. INVESTMENT PROPERTY

	Long-term leasehold land
	The Group
	RM
At fair value:	
As of 1 July 2009	2,750,000
Transfer to prepaid lease payments (Note 13)	(2,750,000)
As of 30 June 2010/30 June 2011	-

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

13. PREPAID LEASE PAYMENTS

	Long-term leasehold land The Group RM
Cost:	
As of 1 July 2009	4,648,658
Transfer from investment property (Note 12)	2,750,000
As of 30 June 2010/1 July 2010	7,398,658
Addition	16,726,061
As of 30 June 2011	24,124,719
Cumulative Amortisation:	
As of 1 July 2009	236,226
Amortisation for the year	152,029
As of 30 June 2010/1 July 2010	388,255
Amortisation for the year	414,287
As of 30 June 2011	802,542
Unamortised Prepaid Lease Payments:	
As of 30 June 2011	23,322,177
As of 30 June 2010	7,010,403

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 45 years (2010: 46 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 (2010: 48 years).

13. PREPAID LEASE PAYMENTS *cont'd*

Prepaid lease payments relate to: *cont'd*

(iii) Lease of land for the Group's factory building at No. 17 Jalan Tandang, 46050 Petaling Jaya. The land for the factory building and office is leased over a period of 99 years expiring on 1 February 2058. The Group does not have an option to purchase the leasehold interest in land at the expiry of the lease period. The leasehold land is amortised over the period of its remaining lease term of 47 years.

As of 30 June 2011, 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 subsidiary companies as disclosed in Note 21.

14. GOODWILL ON CONSOLIDATION

	The Group	
	2011	**2010**
	RM	**RM**
Goodwill on consolidation	137,141	137,141

As of 30 June 2011, 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	
	2011	**2010**
	RM	**RM**
Express delivery services	137,141	137,141

Impairment test for goodwill

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Goodwill has been allocated to the Group's cash-generating units ("CGU") that are expected to benefit from the synergies of the combination. The recoverable amounts of CGU are determined from value-in-use calculation using a discounted cash flow model based on the financial budgets approved by the management. Discount rate used is based on the pre-tax weighted average cost of capital.

Management believes that any reasonably possible change in the key assumptions would not cause the carrying values of the goodwill to materially exceed their recoverable amount.

15. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2011	**2010**
	RM	**RM**
Unquoted shares - at cost	18,809,363	17,809,458
Less: Impairment	(239,950)	(239,950)
Net	18,569,413	17,569,508

On 28 September 2010, the Company acquired 100% equity interest in GDEX Regional Alliance Pte. Ltd. from the directors for a cash consideration of S$2.00.

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;

(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. to GDL for a cash consideration of RM100,000.

The effects of the above mentioned acquisition on the financial results of the Group from the date of acquisition are as follows:

	2011	**2010**
	(9 months)	**(6 months)**
	RM	**RM**
Administrative expenses	(10,861)	(3,849)
Other operating expenses	-	(3,695)
Loss before tax	(10,861)	(7,544)
Income tax expense	-	-
Decrease in Group profit attributable to shareholders	(10,861)	(7,544)

15. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

The effects of these acquisitions on the financial position of the Group as of year end are as follows:

	2011 RM	2010 RM
Property, plant and equipment	-	70,204
Other receivables and prepaid expenses	-	98,152
Cash and bank balances	24,623	5,304
Other payables and accrued expenses	(35,819)	(196,477)
Amount owing to directors	-	(29,702)
Net liabilities assumed	(11,196)	(52,519)

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

	At acquisition date	
	2011	2010
The Group	RM	RM
Net assets/(liabilities) assumed:		
Other receivables and prepaid expenses	-	49,322
Cash and bank balances	5	226
Other payables and accrued expenses	-	(64,923)
Amount owing to directors	-	(29,600)
	5	(44,975)
Consideration paid to acquire subsidiary companies	(5)	(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	5	226
Less: Consideration paid	(5)	(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 2011 %	2010 %	Principal Activities
Direct Subsidiary Companies				
GD Express Sdn. Bhd.	Malaysia	100	100	Provision of express delivery services
GD Venture (M) Sdn. Bhd.	Malaysia	100	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	100	Engaged in logistic operations
GD Facilities & Assets Management Sdn. Bhd.*	Malaysia	100	100	Provision of facilities and assets management services
GDEX Regional Alliance Pte Ltd*	Singapore	100	-	Dormant
Indirect Subsidiary Companies Held through GD Logistic (M) Sdn. Bhd.				
GD Secured Solutions Sdn. Bhd.*	Malaysia	100	100	Dormant
GD Distribution Services Sdn. Bhd.*	Malaysia	100	100	Engaged in logistic operations
GD Customised Solution Sdn. Bhd.*	Malaysia	100	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 2011 RM	2010 RM
Trade receivables	25,071,102	21,856,052
Less: Allowance for doubtful debts	(1,194,140)	(2,105,709)
Net	23,876,962	19,750,343

16. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES *cont'd*

The currency exposure profile of trade receivables is as follows:

	The Group	
	2011	**2010**
	RM	**RM**
Ringgit Malaysia	24,825,813	21,513,515
Singapore Dollar	245,289	342,537
	25,071,102	21,856,052

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 (2010: 30 to 90 days). No interest is charged on trade receivables. The Group has recognised an allowance for doubtful debts against certain receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Trade receivables include amounts (see below for aged analysis) that are past due at the end of the reporting period but against which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

Aging of past due but not impaired receivables are as follows:

	The Group
	2011
	RM
31 - 60 days	6,346,117
61 - 90 days	3,242,780
> 90 days	4,116,002
Total	13,704,899

The movement of allowance for doubtful debts during the year is as follows:

	The Group
	2011
	RM
At beginning of year	2,105,709
Amount recognised during the year	119,389
Amount written off during the year	(1,030,958)
At end of year	1,194,140

16. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES *cont'd*

Other receivables and prepaid expenses consist of:

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Deposits for purchase of property, plant and equipment	150,950	2,164,736	-	-
Refundable deposits	1,026,322	995,423	-	-
Prepaid expenses	862,174	564,714	183,642	20,158
Other receivables	657,969	154,254	-	-
	2,697,415	3,879,127	183,642	20,158

Included in other receivables of the Group is an amount of RM6,125 (2010: RMNil) owing by 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.

The currency exposure profile of other receivables and prepaid expenses is as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Ringgit Malaysia	2,580,353	3,791,907	183,642	20,158
Singapore Dollar	117,062	87,220	-	-
	2,697,415	3,879,127	183,642	20,158

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.

17. RELATED PARTY TRANSACTIONS *cont'd*

The related parties and their relationship with the Company are as follows:

Name of related party	Relationship
GDX Private Limited	A company in which Mr. Teong Teck Lean and Leong Chee Tong, directors of the Company, are also directors.
GD Solutions (M) Sdn. Bhd.	A company in which Mr. Teong Teck Lean and Leong Chee Tong, directors of the Company, are also directors.

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

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
With directors				
Acquisition of subsidiary companies	5	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
GD Technosystem Sdn. Bhd.				
Management fee receivable	-	-	180,000	180,000
With related party,				
GDX Private Limited				
Software training and maintenance servicespayable	879,000	879,000	-	-

18. SHARE CAPITAL

	The Group and The Company	
	2011	2010
	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

On 8 February 2011, the issue of 51,437,207 free warrants on the basis of 1 free warrant for every 5 ordinary shares held by the entitled shareholders on the entitlement date has been completed upon admission of the warrants to the official list of Bursa Securities and the listing of and quotation for the warrants on the ACE market of Bursa Securities.

The Warrants 2011/2016 ("Warrants") of the Company are constituted by a Deed Poll dated on 11 January 2011.

The salient features of the Warrants 2011/2016 are as follows:

(a) The issue date of the Warrants is 8 February 2011 and the expiry date is 7 February 2016.

(b) The Warrants can be exercised at any time during the period commencing from and inclusive of the date of issue of the Warrants up to and including the expiry date. Any Warrants not exercised during the exercise period will lapse and cease to be valid.

(c) Each warrant entitles the registered holder to subscribe for 1 new ordinary share of the Company at the exercise price at any time during the exercise period and shall be subject to adjustments in accordance with the provision of the Deed Poll. The exercise price is fixed at RM0.585 based on a premium of up to ten percentage (10%) to the five-day volume weighted average market price prior to the price fixing date.

(d) The new ordinary shares arising from the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the existing issued ordinary shares of the Company, save and except that they will not be entitled to any right, allotment, dividend and/or any other distribution that may be declared, made or paid before the date of allotment and issue of the new ordinary shares of the Company.

The movements in the Company's Warrants are as follows:

	Number of warrants over ordinary shares of RM0.10 each			
	As of date of issuance 8.2.2011	Granted	Exercised	As of 30.6.2011
Number of unexercised Warrants	51,437,207	-	-	51,437,207

19. RESERVES

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Non-distributable:				
Share premium	618,070	618,070	618,070	618,070
Translation reserve	(62,100)	2,259	-	-
Revaluation reserve	399,900	408,721	-	-
	955,870	1,029,050	618,070	618,070
Distributable:				
Retained earnings	20,055,650	15,639,393	6,662,430	4,810,311
	21,011,520	16,668,443	7,280,500	5,428,381

Share Premium

Share premium arose from the following:

	The Group and The Company	
	2011	2010
	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.

Retained Earnings

Distributable reserves are those available for distribution as cash dividends.

As of the end of the reporting period, the entire retained earning of the Company is available for distribution of dividend under the single tier tax system.

20. HIRE-PURCHASE PAYABLES

	The Group	
	2011	2010
	RM	RM
Total outstanding	5,778,466	3,654,000
Less: Interest-in-suspense	(465,074)	(226,671)
Principal outstanding	5,313,392	3,427,329
Less: Amount due within 12 months (shown under current liabilities)	(2,343,436)	(2,068,503)
Non-current portion	2,969,956	1,358,826

The non-current portion is payable as follows:

	The Group	
	2011	2010
	RM	RM
Within 1 - 2 years	1,811,858	985,808
Within 2 - 5 years	1,158,098	373,018
	2,969,956	1,358,826

The interest rates implicit in these hire-purchase obligations range from 5.50% to 7.81% (2010: 5.50% to 7.81%) per annum.

21. BORROWINGS - SECURED

	The Group	
	2011	2010
	RM	RM
Term loan	17,230,671	-
Short-term revolving credit	4,000,000	-
Islamic debt facilities – Al Bai Bithaman Ajil	2,622,053	2,924,744
	23,852,724	2,924,744
Less: Amount due within 12 months (shown under current liabilities)	(7,068,105)	(302,683)
Non-current portion	16,784,619	2,622,061

21. BORROWINGS - SECURED *cont'd*

The non-current portion is repayable as follows:

	The Group	
	2011	2010
	RM	RM
Within 1 - 2 years	619,343	322,206
Within 2 - 5 years	1,394,750	1,096,757
Above 5 years	14,770,526	1,203,098
	16,784,619	2,622,061

As of 30 June 2011, the Group has term loan and banking facilities totaling RM31,180,000 and RM54,542 (2010: RM3,500,000 and RM53,100) respectively from local licensed banks. The facilities bear interest/profit at rates ranging from 4.85% to 7.18% (2010: 6.27% to 7.18%) per annum.

The term loan and banking facilities are secured by the following:

(a) First and 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 RM354,542 (2010: RM353,100) and fixed deposits of the Company of RM308,000 (2010: RM308,000).

22. PROVISION FOR RETIREMENT BENEFITS

	The Group	
	2011	2010
	RM	RM
At beginning of year	73,105	245,798
Charge/(Credit) to profit or loss (Note 7)	90,082	(172,693)
At end of year	163,187	73,105

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.

22. PROVISION FOR RETIREMENT BENEFITS *cont'd*

Principal assumptions used in respect of provision for retirement benefits are as follows:

	The Group	
	2011	2010
Discount rate	6.00%	4.00%
Monthly average staff turnover rate	5.30%	6.25%

23. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2011 RM	2010 RM
At beginning of year	(309,475)	(251,022)
Credit/(Charge) to profit or loss (Note 9):		
Property, plant and equipment	(597,846)	119,942
Trade receivables	(228,000)	22,000
Provision for retirement benefits	21,000	(43,000)
Other payables and accrued expenses	-	(53,000)
Unabsorbed capital allowances	-	(107,395)
	(804,846)	(61,453)
Credit to revaluation reserves	3,000	3,000
At end of year	(1,111,321)	(309,475)

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	
	2011 RM	2010 RM
Deferred tax assets	-	31,000
Deferred tax liabilities	(1,111,321)	(340,475)
	(1,111,321)	(309,475)

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

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

	The Group	
	2011	2010
	RM	RM
Deferred tax assets (before offsetting):		
Temporary differences arising from:		
Property, plant and equipment	-	31,000
Trade receivables	287,000	515,000
Provision for retirement benefits	38,000	17,000
	325,000	563,000
Offsetting	(325,000)	(532,000)
Deferred tax assets (after offsetting)	-	31,000
Deferred tax liabilities (before offsetting):		
Temporary differences arising from:		
Property, plant and equipment	(1,302,321)	(735,475)
Revaluation reserve	(134,000)	(137,000)
	(1,436,321)	(872,475)
Offsetting	325,000	532,000
Deferred tax liabilities (after offsetting)	(1,111,321)	(340,475)

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 2011, 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	
	2011	2010
	RM	RM
Unused tax losses	1,131,646	1,131,646
Unabsorbed capital allowances	46,742	263,231
	1,178,388	1,394,877

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 (2010: 30 days).

The currency exposure profile of trade payables is as follows:

	The Group	
	2011	2010
	RM	RM
Ringgit Malaysia	2,170,313	2,651,041
Singapore Dollar	23,797	8,749
	2,194,110	2,659,790

Other payables and accrued expenses consist of:

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Accrued staff costs	3,214,252	2,555,185	-	-
Service tax payable	1,015,407	765,853	-	-
Accrued expenses	454,181	711,578	25,996	25,996
Other payables	1,859,389	498,865	87,641	86,425
	6,543,229	4,531,481	113,637	112,421

Included in other payables of the Group is an amount of RMNil (2010: RM2,438) owing to GDX Private Limited and RM10,498 (2010: RMNil) owing to GD Solutions (M) Sdn Bhd, companies incorporated in the Republic of Singapore and Malaysia respectively. 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.

The currency exposure profile of other payables and accrued expenses is as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Ringgit Malaysia	6,409,596	4,420,033	113,637	112,421
Singapore Dollar	133,633	111,448	-	-
	6,543,229	4,531,481	113,637	112,421

25. DIVIDENDS

	The Group and The Company	
	2011	2010
	RM	RM
In respect of financial year ended 30 June 2010:		
10% single tier dividend	2,571,860	-
In respect of financial year ended 30 June 2009:		
5% single tier dividend	-	1,285,930
Special 5% single tier dividend	-	1,285,930
	2,571,860	2,571,860

26. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Deposits with licensed banks	5,393,088	7,868,751	3,415,724	4,453,044
Cash and bank balances	6,875,947	3,953,782	142,216	83,381
	12,269,035	11,822,533	3,557,940	4,536,425
Less: Non cash and cash equivalents:				
Deposits pledged with licensed banks (Note 21)	(662,542)	(661,100)	(308,000)	(308,000)
	11,606,493	11,161,433	3,249,940	4,228,425

Deposits with licensed banks earn interest at rates ranging from 1.8% to 3.1% (2010: 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 (2010: 30 days).

Deposits with licensed banks of the Company amounting to RM300,000 (2010: RM300,000) is registered under the name of a subsidiary company which held the deposits in trust for the Company.

26. CASH AND CASH EQUIVALENTS *cont'd*

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

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Ringgit Malaysia	6,261,254	3,742,884	142,216	83,381
Singapore Dollar	614,693	210,898	-	-
	6,875,947	3,953,782	142,216	83,381

27. FINANCIAL INSTRUMENTS

Capital Risk Management

The objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balance. The Group's overall strategy remains unchanged since 2010.

The capital structures of the Group consist of debt (as disclosed in Notes 20 and 21) and equity of the Group (as disclosed in Notes 18 and 19).

Gearing Ratio

The gearing ratio of the Group at the end of the reporting period is as follows:

	The Group
	2011
	RM
Debt	29,166,116
Equity	46,730,124
Debt to equity ratio (%)	62.41

The Company has no interest-bearing borrowing as of the end of the year.

27. FINANCIAL INSTRUMENTS *cont'd*

Significant Accounting Policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Categories of Financial Instruments:

	The Group 2011 RM	The Company 2011 RM
Financial assets		
Loans and receivables:		
Cash and bank balances	6,875,947	142,216
Deposits with licensed banks	5,393,088	3,415,724
Trade and other receivables	25,561,253	-
Amount owing by subsidiary companies	-	10,833,324
Financial liabilities		
Carried at amortised cost:		
Trade and other payables	8,737,339	113,637
Amount owing to directors	4,345	5
Hire-purchase payables	5,313,392	-
Borrowings (secured)	23,852,724	-
Amount owing to subsidiary companies	-	3,684

Financial Risk Management Objectives

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

Market Risk

The Group's activities expose it primarily to the financial risk of changes in interest rate. Interest rate exposure is measured using sensitivity analysis as disclosed below. There has been no change to the Group's exposure to market risk or the manner in which this risk is managed and measured.

27. FINANCIAL INSTRUMENTS *cont'd*

Interest Rate Risk

The Group's primary interest risk relates to interest-bearing borrowings which are principally denominated in Malaysian Ringgit. The Group has no substantial long-term interest bearing assets as of 30 June 2011.

The Group's exposures to interest rates risk through the impact of rate changes on short-term and long-term borrowings. The Group does not at anytime, make placement in non-guaranteed, fluctuating commercial papers and the like.

Interest Rate Sensitivity Analysis

The sensitivity analyses have been determined based on the exposure to interest rates for financial liabilities at the end of the reporting period. A 50 basis point increase and decrease is used when reporting interest rate risk internally to key management personnel and represents managements' assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year would increase/decrease by RM119,263. This is mainly attributable to the Group's exposure to interest rates on borrowings.

Foreign Currency Risk Management

The Group undertakes transactions denominated in foreign currency; consequently, exposure to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising foreign exchange forward contracts.

Foreign Currency Sensitivity Analysis

The Group's financial assets and financial liabilities denominated in foreign currencies are disclosed in the respective notes.

The following tables detail the Group's sensitivity to a 10% increase and decrease in the relevant foreign currency against the RM. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the relevant currency strengthens 10% against the RM. For a 10% weakening of the relevant currency against the RM, there would be a comparable impact on the profit and the balances below would be negative.

	The Group	
	Profit or Loss	
	2011	2010
	RM	RM
Singapore Dollar	16,619	25,748

27. FINANCIAL INSTRUMENTS *cont'd*

Foreign Currency Sensitivity Analysis *cont'd*

The changes to the Group's profit or loss is mainly attributable to the Group's exposure outstanding on trade and other receivables, trade and other payables and cash and cash equivalents denominated in the relevant foreign currencies at the end of the reporting period.

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the year end exposure does not reflect the exposure during the year.

Credit Risk Management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligations. The Group is exposed to credit risk mainly from trade receivables.

The Group's credit risk on cash and bank balances is limited as the Group places its fund with credit worthy institutions.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties having similar characteristics if they are related entities.

The carrying amount of financial assets recognised in the financial statements represents the Group's maximum exposure to credit risk without taking into account collateral or other credit enhancements held.

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.

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

27. FINANCIAL INSTRUMENTS *cont'd*

Liquidity Risk Management *cont'd*

Maturity profile of financial liabilities is as follows:

	Weighted average effective interest rate	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	%	RM	RM	RM	RM	RM
The Group						
2011						
Financial liabilities						
Non-interest bearing:						
Trade and other payables		8,737,339	-	-	-	8,737,339
Amount owing to directors		4,345	-	-	-	4,345
Interest bearing:						
Hire-purchase payables	6.52	2,343,436	1,811,858	1,158,098	-	5,313,392
Borrowings (secured)	3.64	7,068,105	619,343	1,394,750	14,770,526	23,852,724
		18,153,225	2,431,201	2,552,848	14,770,526	37,907,800

	Less than 1 year
	RM
The Company	
2011	
Financial liabilities	
Non-interest bearing:	
Other payables	113,637
Amount owing to subsidiary company	3,684
Amount owing to directors	5
	117,326

27. FINANCIAL INSTRUMENTS *cont'd*

Fair Values

The carrying amounts and the estimated fair values of the financial instruments as of 30 June 2011 are as follows:

	The Group			
	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM	RM	RM	RM
Financial Liabilities				
Term loan (Note 21)	17,230,671	17,230,671	-	-
Hire-purchase payables (Note 20)	5,313,392	5,059,389	3,427,329	3,373,027

Cash and Cash Equivalents, Trade and Other Receivables, Trade and Other Payables, Short Term Borrowings and Inter-Company Indebtedness

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

Hire-Purchase Payables and Term Loan

The fair values of hire-purchase payables and term loan are estimated using discounted cash flow analysis based on current borrowing rates for similar type of borrowing/financing arrangements.

28. RENTAL COMMITMENTS

As of 30 June 2011, the Group has the following commitments in respect of rental of premises:

	Future minimum lease payments	
	The Group	
	2011	2010
	RM	RM
Within 1 year	1,992,273	2,909,999
Within 1 - 2 years	1,187,930	1,155,573
Within 2 - 5 years	515,450	12,265
	3,695,653	4,077,837

29. CAPITAL COMMITMENTS

As of 30 June 2011, the Group has the following approved and contracted for commitments in respect of:

	The Group	
	2011	2010
	RM	RM
Purchase of tools and equipment	1,518,050	-
Purchase of motor vehicles	1,230,232	758,585
Purchase of leasehold land and building	-	18,720,000
	2,748,282	19,478,585

30. CONTINGENT LIABILITIES - UNSECURED

As of 30 June 2011, the Group and the Company have the following contingent liabilities:

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Legal claims in respect of litigations filed against a subsidiary company by former business partners	-	1,336,608	-	-
Corporate guarantee given to a bank for banking facilities granted to subsidiary companies	-	-	35,680,000	14,750,000
Corporate guarantee given to a supplier for credit facility granted to a subsidiary company	-	-	50,000	50,000
	-	1,336,608	35,730,000	14,800,000

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

31. SIGNIFICANT EVENT

(i) 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. This transaction was completed on 30 September 2010.

31. SIGNIFICANT EVENT *cont'd*

(ii) On 28 September 2010, the Company acquired the entire issued and paid-up share capital of GDEX Regional Alliance Pte. Ltd. for a total consideration of S$2.00.

(iii) On 10 November 2010, the Board announced that the Company proposed to undertake the following:

(a) Proposed issue of 51,437,207 free warrants in the Company ("Free Warrants") on the basis of 1 Free Warrant for every 5 ordinary shares of RM0.10 each in the Company ("GDEX Shares") held by the shareholders of the Company ("Proposed Free Warrants Issue"), and

(b) Proposed Special Bumiputera Issue of up to 36,740,863 new GDEX Shares ("Special Issue Shares"), representing 12.5% of the enlarged issued and paid-up share capital of the Company, to Bumiputera investors to be identified and/or approved by the Ministry of International Trade and Industry ("MITI") ("Proposed Special Bumiputera Issue").

The Proposed Free Warrants Issue was completed on 8 February 2011.

With regard to the Proposed Special Bumiputera Issue, approvals have been obtained from the shareholders of the Company, Bursa Malaysia Securities Berhad ("Bursa Securities"), Securities Commission and Ministry of International Trade and Industry. As of to date, the Proposed Special Bumiputera Issue has not been implemented.

32. SUPPLEMENTARY INFORMATION - Disclosure on realised and unrealised profits/losses

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements which requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as of the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the prescribed format of disclosure.

The breakdown of the retained earnings of the Group and of the Company as of 30 June 2011 into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	The Group 2011 RM	The Company 2011 RM
Total retained earnings:		
Realised	15,188,312	6,662,430
Unrealised	(1,111,321)	-
	14,076,991	6,662,430
Add: Consolidation adjustments	5,978,659	-
Total retained earnings	20,055,650	6,662,430

Comparative information is not presented in the first financial year of application pursuant to the directive issued by Bursa Malaysia on 25 March 2010.

The determination of realised and unrealised profits or losses is based on Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants on 20 December 2010. A charge or credit to the profit or loss of a legal entity is deemed realised when it resulted from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business of otherwise. A resource may be consumed through sale or use. Where a credit or a charge to profit or loss upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

This supplementary information have been made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and is not made for any other purposes.

Statement by Directors

The directors of **GD EXPRESS CARRIER BERHAD** state that, in their opinion, the accompanying balance financial 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 2011 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.

The supplementary information set out on Note 32, which is not part of the financial statements, is prepared in all material aspects, in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with
a resolution of the Directors,

TEONG TECK LEAN **LEONG CHEE TONG**

Kuala Lumpur,
17 October 2011

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 financial 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 17th day of October, 2011.

Before me,

COMMISSIONER FOR OATHS

Analysis of Shareholdings
as at 13 October 2011

Authorised Share Capital	:	RM50,000,000.00
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	30	2.654	1,291	0.000
100 – 1,000	698	61.770	86,608	0.034
1,001 – 10,000	215	19.027	1,005,250	0.391
10,001 – 100,000	127	11.239	4,508,100	1.753
100,001 to less than 5% of issued shares	57	5.045	79,245,293	30.813
5% and above of issued shares	3	0.265	172,339,496	67.009
TOTAL	**1,130**	**100.000**	**257,186,038**	**100.000**

INFORMATION ON SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%	NO. OF SHARES	%
1	TEONG TECK LEAN	37,500	0.02	105,713,496 [a]	41.10
2	GD EXPRESS HOLDINGS (M) SDN BHD	78,801,496	30.64	-	-
3	SINGAPORE POST LIMITED	69,638,000	27.08	-	-
4	GD HOLDINGS INTERNATIONAL LIMITED	26,912,000	10.46	-	-
5	SINGAPORE TELECOMUNICATIONS LIMITED	-	-	69,638,000 [b]	27.08
6	TEMASEK HOLDINGS (PRIVATE) LIMITED	-	-	69,638,000 [b]	27.08

[a] *Deemed interest by virtue of his and his spouse, Wang Herng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (78,801,496 ordinary shares) and GD Holdings International Limited (26,912,000 ordinary shares).*

[b] *Deemed interest by virtue of its interest in Singapore Post Limited pursuant to Section 6A(4) of the Companies Act, 1965.*

Analysis of Shareholdings
as at 13 October 2011
cont'd

INFORMATION ON DIRECTORS' SHAREHOLDINGS AS AT 13 OCTOBER 2011

		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	4,625,000 [(a)]	1.80
2	TEONG TECK LEAN	37,500	0.02	105,713,496 [(b)]	41.10
3	LEONG CHEE TONG	6,438,743	2.50	-	-
4	NG HIN LEE	-	-	-	-
5	NOLEE ASHILIN BINTI MOHAMMED RADZI	-	-	-	-
6	LIEW HENG HENG	125,000	0.05	-	-
TOTAL		**10,651,243**	**4.15**	**110,338,496**	**42.90**

[(a)] *Deemed interest by virtue of his substantial shareholdings in Essem Capital Sdn Bhd (2,000,000 ordinary shares) and his spouse, Mardiana binti Mohamed Zain's shareholdings in the Company (2,625,000 ordinary shares).*

[(b)] *Deemed interest by virtue of his and his spouse, Wang Herng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (78,801,496 ordinary shares) and GD Holdings International Limited (26,912,000 ordinary shares) pursuant to Section 6(A)(4) of the Companies Act, 1965.*

TOP THIRTY (30) SHAREHOLDER'S AS AT 13 OCTOBER 2011

NO.	NAME	SHARES	%
1	GD EXPRESS HOLDINGS (M) SDN BHD	78,801,496	30.64
2	HDM NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR SINGAPORE POST LIMITED*	69,638,000	27.08
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EXEMPTE AN FOR MERILL LYNCH PIERCE FENNER & SMITH INCORPORATED (LOCAL RESIDENT)*	23,900,000	9.29
4	LAU WING TAT	9,537,500	3.71
5	DING AH DIEH @ DING PIK CING	8,831,750	3.43
6	LEONG CHEE TONG	6,288,743	2.45
7	AGNES CHAN WAI CHING	5,394,825	2.10
8	DING MEI SIANG	4,790,000	1.86
9	AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	4,050,000	1.57
10	LOI SIEW HOONG	3,650,000	1.42
11	HDM NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR KONG HWAI MING*	3,127,050	1.22
12	GD HOLDINGS INTERNATIONAL LIMITED	3,012,000	1.17

Analysis of Shareholdings
as at 13 October 2011
cont'd

TOP THIRTY (30) SHAREHOLDER'S AS AT 13 OCTOBER 2011 *cont'd*

NO.	NAME	SHARES	%
13	HDM NOMINEE (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR TAN PIAK HWEE ANTHONY*	2,668,325	1.04
14	MARDIANA BINTI MOHAMED ZAIN	2,625,000	1.02
15	CHIA PHAY CHENG	2,476,650	0.96
16	TEE CHERN JYU	2,011,700	0.78
17	OSK NOMINEES (TEMPATAN) SDN BHD *KWOK NGUK MOOI*	1,794,700	0.70
18	KWOK NGUK MOOI	1,570,300	0.61
19	KONG HWAI MING	1,250,000	0.49
20	ESSEM CAPITAL SDN BHD	1,200,000	0.47
21	CHAN MOON FOOK	1,087,500	0.42
22	MA YUK PING WINNIE	1,009,950	0.39
23	HDM NOMINEE (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR LAU CHEN HONG*	1,003,100	0.39
24	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ESSEM CAPITAL SDN BHD*	800,000	0.31
25	CHIN CHEE SUE	750,000	0.29
26	HDM NOMINEE (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR TANG TAI MOY*	657,000	0.26
27	HDM NOMINEE (ASING) SDN BHD *UOB KAY HIAN PTE LTD FOR LEOW GEOK HONG*	565,250	0.22
28	HDM NOMINEE (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR TAN SIEW KENG*	527,000	0.20
29	FONG JUNG HOA	515,625	0.20
30	TAN LAY MENG	511,250	0.20
TOTAL		**244,044,714**	**94.89**

Analysis of Warrant Holdings
as at 13 October 2011

Total Warrants Issued	:	51,437,207 Free Warrants
Issue Date	:	8 February 2011
Expiry Date	:	7 February 2016
Exercise Price	:	Fixed at RM0.585

DISTRIBUTION OF WARRANT HOLDINGS

HOLDINGS	NO. OF HOLDERS	%	NO. OF WARRANTS	%
Less than 100	711	65.895	14,510	0.028
100 – 1,000	133	12.327	69,624	0.135
1,001 – 10,000	142	13.160	535,131	1.040
10,001 – 100,000	64	5.931	2,054,945	3.995
100,001 to less than 5% of issued warrants	24	2.224	13,687,450	26.610
5% and above of issued warrants	5	0.463	35,075,547	68.192
TOTAL	**1,079**	**100.000**	**51,437,207**	**100.000**

INFORMATION ON DIRECTORS' WARRANT HOLDINGS AS AT 13 OCTOBER 2011

		DIRECT INTEREST		INDIRECT INTEREST	
NO.	NAMES OF DIRECTORS	NO. OF WARRANTS	%	NO. OF WARRANTS	%
1	DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	200,000	0.39	-	-
2	TEONG TECK LEAN	7,500	0.02	27,510,299 [(a)]	53.48
3	LEONG CHEE TONG	3,257,748	6.33	-	-
4	NG HIN LEE	-	-	-	-
5	NOLEE ASHILIN BINTI MOHAMMED RADZI	-	-	-	-
6	LIEW HENG HENG	125,000	0.24	-	-
TOTAL		**3,590,248**	**6.98**	**27,510,299**	**53.48**

[(a)] *Deemed interest by virtue of his and his spouse, Wang Herng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (16,760,299 warrants) and GD Holdings International Limited (10,750,000 warrants) pursuant to Section 6(A)(4) of the Companies Act, 1965.*

Analysis of Warrant Holdings
as at 13 October 2011
cont'd

TOP THIRTY (30) WARRANT HOLDERS AS AT 13 OCTOBER 2011

NO.	NAME	SHARES	%
1	GD EXPRESS HOLDINGS (M) SDN BHD	16,760,299	32.58
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EXEMPTE AN FOR MERILL LYNCH PIERCE FENNER & SMITH INCORPORATED (LOCAL RESIDENT)*	6,780,000	13.18
3	LAU WING TAT	4,307,500	8.37
4	GD HOLDINGS INTERNATIONAL LIMITED	3,970,000	7.72
5	LEONG CHEE TONG	3,257,748	6.33
6	KWOK NGUK MOOI	1,956,800	3.80
7	DING AH DIEH @ DING PIK CING	1,791,830	3.48
8	HDM NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR KONG HWAI MING*	1,428,910	2.78
9	KONG HWAI MING	1,250,000	2.43
10	AGNES CHAN WAI CHING	1,198,505	2.33
11	DING MEI SIANG	1,158,000	2.25
12	OSK NOMINEES (TEMPATAN) SDN BERHAD *KWOK NGUK MOOI*	681,480	1.32
13	CHIA PHAY CHENG	512,230	1.00
14	HDM NOMINEE (ASING) SDN BHD *UOB KAY HIAN PTE LTD FOR LEOW GEOK HONG*	458,250	0.89
15	TEE CHERN JYU	443,800	0.86
16	HDM NOMINEE (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR LAU CHEN HONG*	411,240	0.80
17	TOK CHIN THIAM	399,000	0.78
18	HDM NOMINEE (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR TAN PIAK HWEE ANTHONY*	269,265	0.52
19	CHAN MOON FOOK	217,500	0.42
20	MA YUK PING WINNIE	201,990	0.39
21	AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	200,000	0.39
22	HDM NOMINEE (ASING) SDN BHD *LIM & TAN SECURITIES PTE LTD FOR NG HENG LEONG*	200,000	0.39
23	HDM NOMINEE (ASING) SDN BHD *UOB KAY HIAN PTE LTD FOR SOONG SIEW LI*	168,275	0.33
24	CHIN CHEE SUE	150,000	0.29
25	HDM NOMINEE (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR TANG TAI MOY*	131,400	0.26

Analysis of Warrant Holdings
as at 13 October 2011
cont'd

TOP THIRTY (30) WARRANT HOLDERS AS AT 13 OCTOBER 2011 *cont'd*

NO.	NAME	SHARES	%
26	BHLB TRUSTEE BERHAD *EXEMPT AN FOR EPF INVESTMENT FOR MEMBER SAVINGS SCHEME*	125,200	0.24
27	LIEW HENG HENG	125,000	0.24
28	DANG TAI LUK	105,650	0.21
29	FONG JUNG HOA	103,125	0.20
30	WANG HERNG DAR	98,250	0.19
TOTAL		**48,861,247**	**94.99**

Group Property Particulars

Listed below are the particulars of the property referred to in Notes 11 and 13 to the Financial Statements.

No.	Location of Property	Description/ Existing Use	Approximate Land Area (sq. ft.)	Tenure	Approximate Age of Building (years)	Net Book Value as at 30.6.2011	Date of Revaluation
(1)	21, Jalan Tandang 46050 Petaling Jaya Selangor	Vacant Land	29,757	99 years lease expiring 6 November 2057	-	2,635,746	30 June 2009
(2)	19, Jalan Tandang 46050 Petaling Jaya Selangor	Corporate Head Office and Distribution Hub	61,909	99 years lease expiring 13 August 2056	38 years	5,725,742	20 June 2008
(3)	17, Jalan Tandang 46050 Petaling Jaya Selangor	Corporate Head office	108,629	99 years lease expiring 1 February 2058	52 years	21,270,559	-

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of the Company will be held at Dewan Berjaya, Bukit Kiara Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 7 December 2011 at 10.00 a.m., to transact the following businesses:-

AGENDA

As Ordinary Business:-

1. To receive the Audited Financial Statements of the Company and of the Group and the Reports of the Directors and the Auditors thereon for the financial year ended 30 June 2011. ***(Please refer to Explanatory Note 1)***

2. To approve the payment of a first and final single tier dividend of 12.5% or 1.25 sen per share in respect of the financial year ended 30 June 2011. ***(Resolution 1)***

3. To approve Directors' fees for the financial year ended 30 June 2011. ***(Resolution 2)***

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

    4.1 Leong Chee Tong ***(Resolution 3)***

    4.2 Nolee Ashilin Binti Mohammed Radzi ***(Resolution 4)***

5. To re-elect Ng Hin Lee who retires as a Director of the Company pursuant to Article 91 of the Company's Articles of Association. ***(Resolution 5)***

6. To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. ***(Resolution 6)***

As Special Business:-

To consider and if thought fit, to pass the following resolutions, with or without modifications:-

7. **Ordinary Resolution** ***(Resolution 7)***
   - 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."

8. **Ordinary Resolution** ***(Resolution 8)***
- Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature ("Proposed Renewal Of Shareholders' Mandate")

"THAT approval be and is hereby given to the Company and its subsidiaries ("Group") to enter into and give effect to the specified recurrent related party transactions of a revenue or trading nature and with the specified classes of related parties as specified in Section 2.4(a) of the Circular to Shareholders dated 15 November 2011, provided that:-

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

AND THAT such authority shall continue to be in force until:-
(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM, the authority is renewed; or
(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
(c) revoked or varied by resolution passed by the shareholders of the Company at a general meeting of the Company,

whichever occurs first.

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

9. **Ordinary Resolution** ***(Resolution 9)***
- Proposed Shareholders' Mandate For New Recurrent Related Party Transactions Of A Revenue Or Trading Nature ("Proposed Additional Shareholders' Mandate")

"THAT approval be and is hereby given to the Company and its subsidiaries ("Group") to enter into and give effect to the specified new recurrent related party transactions of a revenue or trading nature and with the specified classes of related parties as specified in Section 2.4(b) of the Circular to Shareholders dated 15 November 2011, provided that:-

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

AND THAT such authority shall continue to be in force until:-
(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM, the authority is renewed; or
(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
(c) revoked or varied by resolution passed by the shareholders of the Company at a general meeting of the Company,
whichever occurs first.

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

10. **Ordinary Resolution**
- Proposed appointment of Lim Cheng Sung @ Lim Cheng Sang as Director pursuant to Section 129 of the Companies Act, 1965 ***(Resolution 10)***

"THAT pursuant to Section 129 of the Companies Act, 1965, Mr Lim Cheng Sung @ Lim Cheng Sang who is over 70 years of age, be and is hereby appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."

11. 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 Eighth Annual General Meeting to be held on 7 December 2011, a first and final single tier dividend of 12.5% or 1.25 sen per share in respect of the financial year ended 30 June 2011, if approved, will be paid on 5 January 2012 to Depositors whose names appear in the Record of Depositors on 22 December 2011.

Notice of Annual General Meeting
cont'd

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 22 December 2011 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 WAI FOONG (MAICSA 7001358)
LIM LEE KUAN (MAICSA 7017753)
SOO SHIOW FANG (MAICSA 7044946)
Company Secretaries

Kuala Lumpur
15 November 2011

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(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 30 November 2011. Only a depositor whose name appears on the Record of Depositors as at 30 November 2011 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

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

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

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

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

vi. The instrument appointing a proxy must be deposited at the registered office of the Company i.e. Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting i.e. on or before 10.00 a.m., Monday, 5 December 2011 or any adjournment thereof.

Notice of Annual General Meeting

cont'd

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 7 of the Agenda

The proposed adoption of the Ordinary Resolution No. 7 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 8 of the Agenda

The proposed adoption of the Ordinary Resolution 8 is to renew the Shareholders' Mandate granted by the shareholders of the Company at the Extraordinary General Meeting held on 29 November 2010. The proposed renewal of the Shareholders' Mandate will enable the Group to enter into the Recurrent Related Party Transactions of a Revenue or Trading Nature which are necessary for the Group day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

4. Item 9 of the Agenda

The proposed adoption of the Ordinary Resolution 9 is an additional Shareholders' Mandate which will enable the Group to enter into the New Recurrent Related Party Transactions of a Revenue or Trading Nature which are necessary for the Group day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

5. Item 10 of the Agenda

The proposed adoption of the Ordinary Resolution 10 is the appointment of Lim Cheng Sung @ Lim Cheng Sang as Director of the Company. With the resignation of two Directors on 15 March 2011 and 24 May 2011 and the appointment of Mr Ng Hin Lee on 15 March 2011, the Board of Directors wishes to fill up the vacancy created and thus, recommend and nominate for shareholders' approval the appointment of Mr Lim Cheng Sung @ Lim Cheng Sang, who is 75 years of age. The appointment of Mr Lim Cheng Sung @ Lim Cheng Sang, when effected, will enable the Company to tap into his wide experience in various fields. A brief profile of Mr Lim Cheng Sung @ Lim Cheng Sang is mentioned in the Statement accompanying the Notice of the Eighth Annual General Meeting.

Statement Accompanying the Notice of the Eighth Annual General Meeting

Details of Mr Lim Cheng Sung @ Lim Cheng Sang who is standing for election as Director:-

Lim Cheng Sung @ Lim Cheng Sang
Malaysian aged 75
Independent Non-Executive Director (to be elected)

Mr Lim holds a BSc (Hons) Degree in Organic Chemistry from the University of Adelaide, South Australia. He started his career as Sales Executive with the British Multinational ICI (Malaysia) in Kuala Lumpur and later in Singapore in 1964. In 1985, he was promoted to General Manager and Executive Director of ICI Paints Malaysia ("ICI") and was later re-designated to Managing Director and took over the running of the Company. He retired from ICI in 1991 and joined DSU Group of Companies, a local conglomerate, which has marketing and manufacturing interests in Indonesia as its Chief Executive Officer. From 1991 to 1996, he was given the task to turnaround the underperforming DSU Group and upon his retirement, he managed to leave the Group in a profitable and healthy position. In 2009, he was invited to join Kaliandra Foundation ("Kaliandra") and was appointed as the Principal Consultant. Kaliandra is involved in Community Development, Environmental Protection and Conservation and is based in Surabaya, East Java.

He does not hold any directorship in public companies.

He does not have any direct or indirect interest in the shares of the Company and its subsidiaries.

He does not have any family relationship with any Director or major shareholder of the Company, nor does he has any conflict of interest with the Group. He has not been convicted of any offences within the past ten (10) years.

Notice of Intention for Election of Director
at the Eighth Annual General Meeting by GD Express Holdings (M) Sdn. Bhd.

GD EXPRESS HOLDINGS (M) SDN BHD
(246161-H)
No. 19 Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan
Tel: 6(03)-7787 2222, Fax: 6(03)-7785 6818

Date: 14 October 2011

The Secretary
GD EXPRESS CARRIER BERHAD
No. 19, Jalan Tandang
46050 Petaling Jaya
Selangor Darul Ehsan

Attention: Ms Lim Lee Kuan

Dear Madam,

NOTICE OF INTENTION FOR ELECTION OF DIRECTOR AT THE EIGHTH ANNUAL GENERAL MEETING OF GD EXPRESS CARRIER BERHAD TO BE HELD ON 7 DECEMBER 2011

We hereby nominate Mr Lim Cheng Sung @ Lim Cheng Sang (NRIC No. 360628-08-5281) of No. 1, Lorong Jelutong Kiri, Damansara Heights, 50490 Kuala Lumpur, who is 75 years old to be elected as a Director at the forthcoming Eighth Annual General Meeting of GD Express Carrier Berhad to be held on 7 December 2011.

Mr Lim Cheng Sung @ Lim Cheng Sang's consent to be nominated and Form 48A are attached herewith for your attention.

Yours faithfully
GD Express Holdings (M) Sdn. Bhd.

Teong Teck Lean
Director

Consent to be Nominated

Lim Cheng Sung @ Lim Cheng Sang
No. 1, Lorong Jelutong Kiri
Damansara Heights
50490 Kuala Lumpur

Date 14 October 2011

The Directors
GD EXPRESS CARRIER BERHAD
No. 19, Jalan Tandang
46050 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

NOMINATION AS DIRECTOR OF GD EXPRESS CARRIER BERHAD

I hereby consent to be nominated as a Director of GD Express Carrier Berhad. I enclose herewith the Form 48A duly signed for your attention.

Yours faithfully

LIM CHENG SUNG @ LIM CHENG SANG
NRIC No. 360628-08-5281

Form 48A
of Mr Lim Cheng Sung @ Lim Cheng Sang

Company No. | **630579-A**

FORM 48A
Companies Act, 1965
* Section 16 (3A)
* Section 123 (4)

STATUTORY DECLARATION BY A PERSON BEFORE APPOINTMENT AS DIRECTOR, OR BY A PROMOTER BEFORE INCORPORATION OF CORPORATION

GD EXPRESS CARRIER BERHAD

I, **Lim Cheng Sung @ Lim Cheng Sang**, NRIC No. **360628-08-5281** of **No. 1, Lorong Jelutong Kiri, Damansara Heights, 50490 Kuala Lumpur** do solemnly and sincerely declare that-

1. I am not an undischarged bankrupt.
2. I have not been convicted whether within or outside Malaysia of any offence-

   (a) in connection with the promotion, formation or management of a corporation;

   (b) involving fraud or dishonesty punishable on conviction with imprisonment for three months or more; or

   (c) under Section 132, 132A or under Section 303;

   within a period of five years preceding the date of this declaration.

3. I have not been imprisoned for any offence referred to in paragraph (2) hereof within the period of five years immediately preceding the date of this declaration.

*4. ~~I am an undischarged bankrupt but have been granted leave by the court under Section 125 to act as a director of ....~~

*5. ~~I have been granted leave by the court under Section 130 to be a Director of .... or a promoter of a proposed corporation .... or both a Director and a Promoter of .... I attach herewith an office copy of the court order.~~

6. I hereby consent to act as a Director and Promoter of **GD EXPRESS CARRIER BERHAD.**

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared by the abovenamed]
LIM CHENG SUNG @ LIM CHENG SANG]
at Kuala Lumpur]
in the state of Wilayah Persekutuan]
this 14th day of October 2011]

Lim Cheng Sang

Before me, No: W494
LEONG SEE KEONG

PESURUHJAYA SUMPAH MALAYSIA

W494 LEONG SEE KEONG

Tingkat Bawah, Jalan Tuba
Kampung Attap
50460 Kuala Lumpur

* Strike out whichever is inapplicable.

LODGED BY: **TRICOR CORPORATE SERVICES SDN. BHD. (779773-H)**
Level 18, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel:03-22648888 Fax:03-22822733

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GD EXPRESS

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 Eighth Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 7 December 2011 at 10.00 a.m. and at any adjournment thereof.

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

NO.	RESOLUTIONS	FOR #	AGAINST#
1.	To approve the payment of a first and final single tier dividend of 12.5% or 1.25 sen per share in respect of the financial year ended 30 June 2011.		
2.	To approve Directors' fees for the financial year ended 30 June 2011.		
3.	To re-elect Leong Chee Tong 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 Nolee Ashilin Binti Mohammed Radzi who retires pursuant to Article 104 of the Company's Articles of Association, and being eligible, has offered herself for re-election.		
5.	To re-elect Ng Hin Lee who retires pursuant to Article 91 of the Company's Articles of Association, and being eligible, has offered himself for re-election.		
6.	To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
7.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
8.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
9.	Proposed Shareholders' Mandate for New Recurrent Related Party Transactions of a Revenue or Trading Nature.		
10.	To appoint Lim Cheng Sung @ Lim Cheng Sang pursuant to Section 129 of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting of the Company.		

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

** Delete if not applicable.*

Signed this …………..........day of ………………..….. 2011.

____

Signature/Common Seal of Shareholders(s)

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)

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 30 November 2011. Only a depositor whose name appears on the Record of Depositors as at 30 November 2011 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

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

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

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

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

vi. The instrument appointing a proxy must be deposited at the registered office of the Company i.e. Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting i.e. on or before 10.00 a.m., Monday, 5 December 2011 or any adjournment thereof.

Our Stations

HEADQUARTERS (PJ)
03-7787 2222

Sales Office
03-2141 5313

PENINSULA MALAYSIA

Alor Setar
04-734 9636

Bachok
09-753 2039

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

Cheras
03-9281 6951

Dungun
09-848 1243

Gemas
07-948 1266

Gemencheh
06-431 9420

Gua Musang
09-912 6622

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

Kepong
03-6259 6220

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 4382

Maran
09-477 1482

Malim Jaya
06-334 0131

Muadzam Shah
09-452 5888

Melaka
06-334 0131

Melaka Raya
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
03-3224 6280

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

Tangkak
06-978 2117

Tanjung Malim
05-459 9210

Teluk Intan
05-623 4635

Wangsa Maju
03-4142 0192

EAST MALAYSIA

SABAH

Keningau
087-336 631

Kudat
088-611 490

Kota Belud
088-977 126

Kota Marudu
016-828 6795

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
085-737 789

Bau
082-763 164

Belaga
086-461 689

Betong
012-857 9646

Bintulu
086-318 871

Bintagor
084-693 497

Dalat
084-864 250

Daro
084-823 786

Kanowit
084-752 715

Kapit
084-797 362

Kuching
082-232 306

Lundu
013-567 6986

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
084-335 075

Song
084-777 261

LABUAN

Labuan
087-425 880

SINGAPORE

Singapore
65-6396 5539