GD EXPRESS CARRIER BHD (630579-A)

ANNUAL REPORT 2012

www.gdexpress.com

GDEX®

GD EXPRESS

Raising the bar

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GD EXPRESS CARRIER BHD

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Contents

GDEX®
GD EXPRESS

Raising the bar

It was sheer determination, great focus, constant training and practice that made Russian Yelena Isinbayeva the undisputed queen of the pole vault. In her drive to be world champion, she has invested much effort, time and energy to improve her vaulting techniques and has succeeded in raising the jump bar not only once but several times, breaking the pole vaulting world record over and over again.

Likewise, in aspiring to be a leading express carrier, GDEX must constantly upgrade and improve its delivery standards, infrastructure and processes, and nurture enough human talent to meet the exacting international standards of express delivery. It must raise its bar of operating excellence time and time again over the long run to be a regional champion, and ultimately a world class player in express delivery service.

GDEX and Isinbayeva.
Always striving to raise the Bar of Excellence.

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

Chairman's Statement

Dear Shareholders

I am pleased to present my eighth annual report to our fellow stakeholders for the financial year ended 30 June 2012. The global economy experienced general weakness with deepened Euro crisis, slowdown in India and China and a slow US recovery. Global trade and investments remained subdued. Meanwhile, the Malaysian economy stayed relatively resilient, bolstered by stable commodity prices and a growing consumer market. In spite of the generally lack-lustre world economic conditions, our Group continued to register steady growth in revenue and profits as we strived to expand our capacity and service coverage.

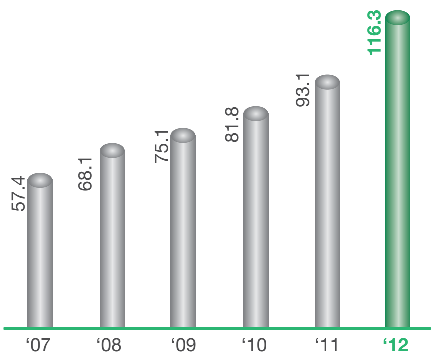
OUR PERFORMANCE IN 2012

For the period under review, GDEX's group turnover crossed the RM100 million mark to RM116.3 million, up by 25% from RM93.1 million previously. Group pre-tax profit increased 23% to RM12.2 million from RM9.9 million previously while group profits after taxation showed a 24% rise from RM7.0 million a year ago to RM8.7 million. Net earnings per share amounted to 3.40 sen per every 10 sen share against 2.71 sen previously and diluted earnings per share amounted to 3.05 sen.

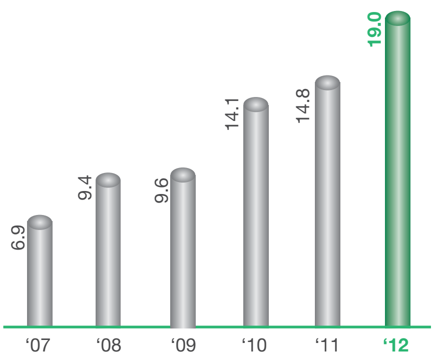
Earnings before interest, tax, depreciation and amortization (EBITDA) increased by 27% from RM14.8 million to RM19.0 million.

Chairman's Statement
cont'd

Revenue
(RM Million)



EBITDA
(RM Million)



DIVIDEND PAYMENT

While the Group has shown improved results, we are ever mindful of the fragile world economy and the need to remain relevant and competitive on all fronts. Thus, in balancing the need to reward shareholders for their patience and support, and the need to grow Group resources, the Board of Directors has declared a first and final dividend of 1.25 sen for every 10 sen share, same as the previous year.

SIGNIFICANT DEVELOPMENTS

The Group continued to upgrade its resources to meet customers' expectations while striving to stay ahead of the competition. These constant upgrades, both minor and major, have helped raised the bar in the Group's overall performance. The increased capabilities and capacities have enabled the Group to become more efficient, competent and complete in its express carrier services. This has encouraged leading global and regional players to become our business partners.

The key developments that contributed to the Group's growth include the following:

- Completion of the upgrade of parcel conveyor sorter which raised sorting capacity to 60,000 parcels per hour from 30,000 parcels per hour previously
- The set-up of a new warehousing operations
- Completed corporate strategic review and have adopted strategy for the next 10 years

CHALLENGES & OPPORTUNITIES

Advances in information and communication technology (ICT) have opened up new business opportunities that require effective fulfillment of logistics needs. B2B and B2C e-commerce require express carriers to enable these new age business transactions. Express carriers therefore need to constantly improve and upgrade their infrastructure, process technology and human resource skills. While being the enabler in this new e-world presents tremendous business opportunities, the biggest challenge remains in getting the good people to do the job well. In this aspect, I am confident that our management team will overcome the challenges and capitalize on this new business trend.

Chairman's Statement
cont'd

THE FUTURE

While the global economy remains uncertain, the Group nevertheless shall proceed cautiously with its long-term corporate strategy to grow beyond the nation's shores. In preparing for this transition, we need more talents to assume greater responsibilities that are required for regional expansion. Our continued investments in technology and processes should pay off, as our operations today are more modular and can be replicated in overseas operations.

ACKNOWLEDGEMENT

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

My sincere thanks and appreciation also 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.

I would also like to commend my fellow board members who have continued to fulfill their commitments and obligations with distinction to the Board. At the same time, I would also like to take this opportunity to welcome Mr Lim Cheng Sung @ Lim Cheng Sang 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


BE
GDEX


GDEX


SAFETY FIRST
Shaklee

Raising the bar on processes and infrastructure

More than RM9 million was invested to upgrade our hub infrastructure, technical processes, trucks, regional branches and warehouse facilities. The automated conveyor system at our upgraded all-weather HQ hub today can handle up to 60,000 parcels per day compared to just 30,000 parcels per day previously while turnaround time for processing of consignments at the hub has been reduced from 6 hours to 3 hours.

Leong Chee Tong
Chief Executive Officer and Executive Director

Review of Operations by the Chief Executive Officer

An Exciting Year

Financial Year ended 30 June 2012 was an exciting year for GDEX. Our group turnover surged passed the RM100 million mark to RM116.3 million from RM93.1 million, an increase of 25%. Profit before tax also surpassed the RM10 million mark to RM12.2 million from RM9.9 million, an increase of 23%. Profit after tax increased 24% to RM8.7 million from RM7.0 million. Amidst the general pessimistic world economy, the results demonstrated strong support from our customers and hard work by our dedicated staff.

Review of Operations by the Chief Executive Officer
cont'd

Building Capacity

For the year under review, we spent more than RM9 million to upgrade our hub infrastructure, expand branch outlets and regional offices, purchase more vehicles, enhance our IT and communication systems and improve our operation equipment. We put in place the infrastructure for our logistics operations with the installations of warehouse racks and other supporting facilities along with the purchase of long haul trailers.

To ensure our service quality matches with our growth, we have beefed up our manpower to 1,826 from 1,700. Our fleet size increased to 335 from 331 while our carrying tonnage increased to 684 tons from 621 tons.

We have enhanced our network infrastructure. Our network size now stands at 101 stations, comprising 54 branches, 2 affiliates and 45 agents compared with 97 stations the year before.

We continue to invest significantly in enhancing the skills and knowledge of our staff. Our Multimedia Remote Learning (MMRL) Programme was launched during the year that stretched our training reach to remote locations beyond geographical and time constraints, enabling our staff to undergo 25,468 hours of training compared with 18,720 hours.

These investments are essential in enabling GDEX to improve its handling variety and capacity, which should contribute to the Group's growth going forward.

Corporate Social Responsibility

Our staff, neighbours and customers continued to support the GDEX Blood Donation Drive, now in its sixth year running. The blood donation drive netted a total of 206 pints of blood for the National Blood Bank.

We incorporated the 'GO GREEN' environmental protection messages onto our corporate calendars to raise awareness on the environment. A total of 50,000 pieces of calendars was printed as part of our marketing programme.

To bring greater awareness on the conservation of the environment to our staff, we embarked on ISO14001:2004 Environmental Management System.

Changing Business Environment

We have entered into an era of transition - from evolving regulatory policies to a more intense and competitive industrial environment as well as greater customers' requirements and expectations. More importantly, we are dealing with a new generation of workers requiring us to adjust to the new generational mind-set, as our business is basically a people-oriented business.

Review of Operations by the Chief Executive Officer
cont'd

The Regulator – evolving policies

Our industry regulatory body, Malaysian Communications and Multimedia Commission in its effort to raise the service quality of express delivery has indicated that it will soon implement, among others, a new licensing scheme and setting a minimum service standard for the service providers.

While we do not envisage any problem meeting the criteria for the new licensing requirement, we have prepared ourselves for more stringent licensing criteria and higher service standards in the future. This means we have to establish new measurement yardsticks that can meaningfully reflect our service quality. In this regard, the Group has proceeded to upgrade its various processes. The current upgrade of the existing ISO9001 standard to Integrated ISO Certification that includes ISO14001 on environment protection is one such move. The adoption on PSD – Proof of Successful Delivery is another initiative to better measure delivery performance compared with current POD – Proof of Delivery measurement.

The Customers

The market place is evolving. With rapid changes in technology and the shift of purchasing power from the relatively older Baby Boomer Generation and Generation X to the relatively younger but maturing Generation Y, consumer patterns, product features and service expectations are rapidly evolving. And the logistics that support the deliveries of these new products and services have to be upgraded. New service features for our delivery works are to be expected. Expectation of what constitute service accomplishment is raised.

As service providers, we do not determine what constitute satisfactory service standards. The customers do. If we are unable to meet such expectations, we will soon drop out of the race. It is therefore important that we not only determine what the customers or the end-users of our services want now, but we must also anticipate what they expect. Hence, we need to re-align and restructure ourselves to stay relevant. We will continue to identify and upgrade.

The Competitors

In 2011, the Malaysian government liberalised the express delivery sector to allow 100% foreign ownership on companies providing courier service. New competitors who are leading players in their domicile countries have since entered the Malaysian express delivery market. Existing players in the industry have buckled up to face the intensified competition. For many, price undercutting seems to be the only way to survive in a crowded market.

We see some silver linings in this cloudy backdrop. First, competition actually forces service standards to be raised. Second, competition and collaboration co-exist. While some opted for market domination as an operational strategy, others chose to collaborate with existing local players. While intensity of competition will continue to rise, opportunities for cooperation will emerge at the same time.

Review of Operations by the Chief Executive Officer

cont'd

The Workforce

Managing a new generation of employees is yet another key challenge. The new generation work force forms the biggest proportion of our human resource, yet it has a very different value system and mindset towards work. Integrating the more senior staff with these new generation staff is a major challenge. Another challenge is meeting the expectation of the new workers, who desire quick reward and fast promotion.

We are also confronted with the situation of a general shortage of workers. Despite the general weakness in the world economy, employment rate in the region remains robust, thanks to the various government initiatives to hold up the economy. We need to be more innovative in getting people to work and stay with us. Competition for man power is no less intense than competition for business.

Another problem facing the workforce is the ever rising cost of living which is driving workers to anticipate higher pay to meet the basic needs. To meet this growing expectation, we have to constantly adjust the incentives as well as pay of our people. This translates to higher business cost. We must therefore improve our productivity to mitigate it.

Up the Bar - Transformation is Needed

Providing reliable, relevant, and value-for-money service is never easy. We must learn to be more flexible and adaptable – just like the element of water whose fluidity enables it to take on whatever shape it is put into and yet not lose its water characteristics. Thus, we need to transform ourselves without compromising on our corporate culture and values. Our transformation programme shall focus on improving our service quality and operational efficiency.

New service standards are Essential Performance Indicators for key operational components and supporting functions. Essential performance indicators for the different operational components and supporting functions have to be defined to set performance targets.

Existing processes have to be reviewed and modified or even replaced by new processes to meet new customers' requirements and help to lower unit cost. Information and communication system have to be revamped in line with the new technology to enable effective communication within ourselves as well as reaching the customers effectively. We must also ensure our information system captures and retains knowledge.

We will further our MMRL to provide cost effective training. Our interactive phase 2 of the MMRL will be launched to cover more staff.

Meanwhile, we would continue to explore opportunities in the region.

Review of Operations by the Chief Executive Officer
cont'd

Enhancing the GDEX Corporate Culture

Most importantly, we need to shape the GDEX culture that integrates people from the older generation and the new Gen-Y to work as a team. This is the most important element for us to forge ahead.

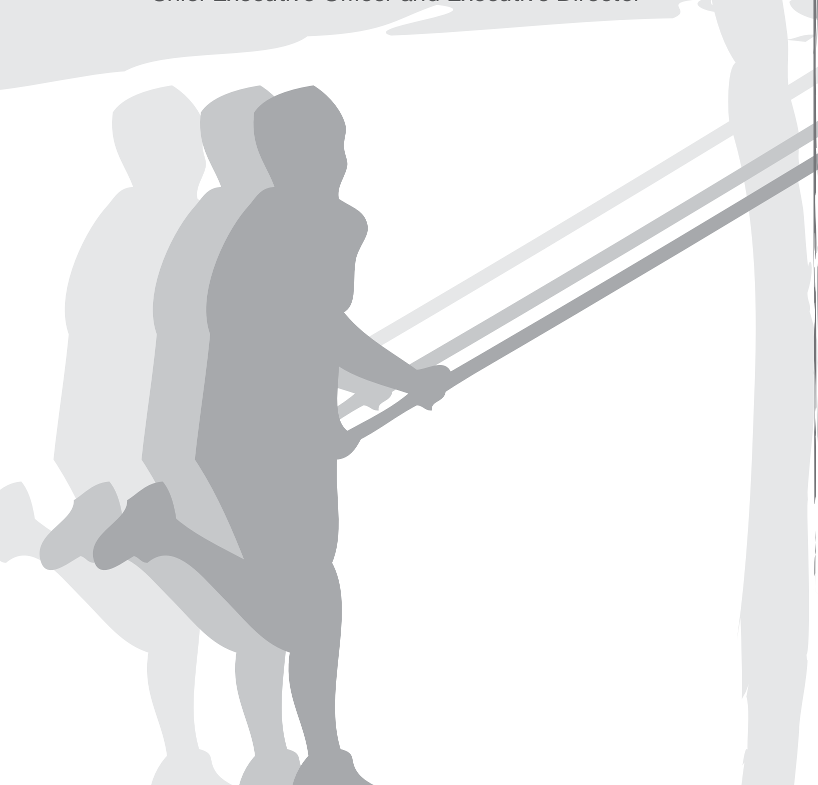
Acknowledgement

I would like to thank the Board of Directors for their guidance. My gratitude also goes to my fellow colleagues for their hard work and commitment. I also like to thank our customers, vendors, business service partners and government agencies for their support to help us grow.

I look forward to further progress and improvement in GDEX. I am confident that we will be closer to our goal of becoming the leading express carrier and a competent total logistics solution provider in Malaysia and the region.

Thank you.

LEONG CHEE TONG
Chief Executive Officer and Executive Director



Vision

A Team of Caring and Passionate People;

An Organisation of Sound Values and Dynamic Processes;

Empowering its Customers with Value-for-Money Effective Solutions; and

Contributing to the Well-being of the Community - A Leading Role Model in the Logistics 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.


FUNCTIONAL ISSUES

Raising the bar on service standards

A highly skilled and committed workforce is the key to achieving international service standards. We constantly empower our employees, from clerical, delivery team to drivers, supervisors, dealers and agents with regular skills training and knowledge workshops and seminars such as the Supervisors Workshop and the National Network Conference.

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

Dr. Wolfgang Baier
(appointed 12 Sept 2012)

Liew Heng Heng

Leong Chee Tong
(Executive Director & Chief Executive Officer)

Nolee Ashilin binti Mohammed Radzi

Lim Cheng Sung @ Lim Cheng Sang

Directors' Profile

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid

Independent, Non-Executive Chairman, Malaysian aged 63

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 52

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.

Directors' Profile
cont'd

Leong Chee Tong
Executive Director and Chief Executive Officer, Singaporean aged 47

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.

Dr. Wolfgang Baier
Non-Independent Non-Executive Director, Austrian aged 38

Dr. Wolfgang was appointed to the Board on 12 September 2012. He holds a PhD in Law with distinction from the University of Vienna as well as two Masters Degrees: A Master Degree in Law from the University of Vienna (Austria) and a Master Degree in Business Economics from the Universities of Exeter (UK) and Graz (Austria). Dr. Wolfgang joined Singapore Post as CEO (International) in February 2011 to oversee the growth in non-mail products such as logistics, retail and e-commerce as well as to accelerate the regional expansion. He was appointed as Group CEO in October 2011. Dr. Wolfgang worked in the last 10 years with McKinsey & Company in Europe and Asia. He joined McKinsey Austria as an Associate in March 2001. From October 2004 to January 2011, Dr. Wolfgang worked with McKinsey Singapore, leading the postal & logistics practice as well as operations activities in South East Asia. He became a partner in 2008.

Directors' Profile
cont'd

Nolee Ashilin binti Mohammed Radzi
Independent Non-Executive Director,
Malaysian aged 37

Puan 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 BA (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 55

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.

Lim Cheng Sung @ Lim Cheng Sang
Independent Non-Executive Director,
Malaysian aged 76

Mr Lim Cheng Sung @ Lim Cheng Sang was appointed to the board on 7 December 2011 and is currently a member of the Audit Committee. He 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.

All Directors do not have any family relationship with any director and/or major shareholders of GD Express Carrier Bhd nor any conflict of interest in any business arrangement involving GD Express Carrier Bhd 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, the other directors hold no other Directorship in public Companies in Malaysia.

Changing mindsets, strengthening corporate culture

A major challenge for GDEX in this era of rapid transition is the integration of Generation Y and Z workers with the older and more established Generation X workers. As part of our efforts to transform mindsets and strengthen the group corporate culture, we regularly organise team-building activities, conduct CSR programmes such as blood donation campaigns, annual dinners and sport activities to keep our people united and committed to GDEX's philosophy of a dedicated and caring workforce.


ANNUAL NETWORK
CONFERENCE 2012

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

Senior Management Profile

Tung Sook Wah

Deputy Chief Executive Officer & Chief Financial Officer, aged 46

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 41

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

Chan Lai Wah

General Manager, Corporate Group, aged 54

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 57

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 38

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 52

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 39

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 Customer Service functions and Linehaul operations movement of the entire network. He is responsible for the effective, efficient and smooth running of the ground operations and stations of the GD Express network.

Marmizahsalwa Ahmad Tarmizi
Head of Domestic, Public Relations & Communications cum Head of Corporate Planning & Development and Investor Relations Spokesperson, aged 31

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. In 2012, she was promoted as Head of Corporate Planning and Development and was given an additional role as Investor Relations Spokesperson for the Group. 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

TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
(appointed with effect from 1 October 2012)

REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7720 1188
Fax : 03-7720 1111

CORPORATE HEAD OFFICE

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

SHARE REGISTRAR

Boardroom Corporate Services (KL) Sdn Bhd
(appointed with effect from 1 November 2012)
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7720 1188
Fax : 03-7720 1111

AUDITORS

Deloitte KassimChan (AF 0080)
Chartered Accountants
Level 19, Uptown 1
Damansara Uptown
1 Jalan SS21/58
47400 Petaling Jaya
Selangor Darul Ehsan

ADVOCATES & SOLICITORS

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

PRINCIPAL BANKER

Malayan Banking Berhad (3813-K)

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad

	Shares	Warrants
Stock Name	: GDEX	GDEX-WA
Stock Code	: 0078	0078WA

Statement on Corporate Governance

THE IMPORTANCE OF CORPORATE GOVERNANCE

The Board of Directors ("the Board") of GD Express Carrier Bhd ("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 (Revised 2007) ("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 Code with an objective to maintain the promulgated standards of transparency, accountability and integrity throughout the financial year ended 30 June 2012.

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 Roles and Responsibilities

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

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

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

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

1.2 Board Composition and Independence

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

- One (1) Independent Non-Executive Chairman
- One (1) Executive Director and Executive Deputy Chairman
- One (1) Executive Director and Chief Executive Officer
- One (1) Non-Independent Non-Executive Director
- Three (3) Independent Non-Executive Directors

Statement on Corporate Governance
cont'd

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") ACE Market Listing Requirements 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. The Independent Directors provide a broader view and an independent and balanced assessment.

A brief profile of each of the Directors are presented on pages 17 to 19 of the Annual Report.

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.

The key functions of the Chairman, apart from conducting meetings of the Board and shareholders, include ensuring Board effectiveness and conduct, 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.

There is clear division of responsibilities between the Chairman and Chief Executive Officer to ensure that there is a balance of power and authority.

The Executive Deputy Chairman and Chief Executive Officer in particular are 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 2012, the Board of Directors met five (5) times details are as follows:-

- 25 August 2011
- 17 October 2011
- 24 November 2011
- 15 February 2012
- 9 May 2012

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 Meetings Attended	%
(i)	Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	5/5	100
(ii)	Teong Teck Lean	5/5	100
(iii)	Leong Chee Tong	5/5	100
(iv)	Ng Hin Lee (resigned on 12.09.2012)	5/5	100
(v)	Lim Cheng Sung @ Lim Cheng Sang (appointed on 7 December 2011)	2/2	100
(vi)	YB Nolee Ashilin Binti Mohammed Radzi	3/5	60
(vii)	Liew Heng Heng	5/5	100

Remark : Dr. Wolfgang Baier (appointed on 12.09.2012).

All meetings were held at the Conference Room of the Company at No. 17, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia. Minutes of meetings (including deliberations by the Board of issues discussed and their conclusion thereof) are recorded by the Company Secretary and kept at the registered office of the Company.

The Board is scheduled to meet at least four times a year, at quarterly intervals, with additional meetings convened as and when 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 suitable candidates with qualifications and experiences which 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 Board as a whole after considering the recommendations from 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.

Statement on Corporate Governance
cont'd

1. BOARD OF DIRECTORS *cont'd*

1.6 Re-election of Directors

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

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

1.7 Board Committees

The Board has established the following Committees, which operate within defined terms of reference to assist the Board in discharging its fiduciary duties and responsibilities. Each Committee has its own terms of reference that clearly defines their operating procedures and authorities that have been approved by the Board.

1.7.1 Audit Committee

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

The composition, duties and the details of meetings of the Audit Committee are set out in the Audit Committee Report on pages 40 to 46 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 was 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.

1. BOARD OF DIRECTORS *cont'd*

1.7 Board Committees *cont'd*

1.7.2 Combined Nomination and Remuneration Committee *cont'd*

- To recommend to the Board, Directors to fill the seats on Board Committees.
- To review annually the Board's mix of skills and experience and other qualities including core competencies which non-executive Directors should bring to the Board.
- To recommend to the Board for continuation (or not) in service of Executive Director(s) and Directors who are due for retirement by rotation.
- To orientate and educate new Directors on the nature of business, the corporate strategy, current issues within the Group, the expectations of the Group concerning input from the Directors and the general responsibilities of Directors.
- To recommend to the Board the framework of Executive Directors' remuneration package.
- To recommend to the Board any performance related pay schemes for Executive Directors.
- To review Executive Directors' scope of service contracts.
- To consider the appointment of the advisers or consultants as it deems necessary to fulfill its functions.
- To act in line with the directions of the Board.

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

	Name	Designation
Chairman:	Dato' Capt Ahmad Sufian @ Qurnain Bin Abdul Rashid	Independent Non-Executive Chairman
Members:	Liew Heng Heng	Independent Non-Executive Director
	Nolee Ashilin Binti Mohammed Radzi	Independent Non-Executive Director

1.8 Supply of Information

The Chairman ensures that all Directors have unrestricted access to timely and accurate information in the furtherance of their duties. The agenda and 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.

Statement on Corporate Governance
cont'd

1. BOARD OF DIRECTORS *cont'd*

1.8 Supply of Information *cont'd*

Every Director has unhindered access to the advice and services of the Company Secretary who is responsible for ensuring Board and Board Committee meetings are properly convened and that applicable rules and regulations are complied with, and if so required, the Board may seek independent professional advice at the Company's expense, in order to discharge their duties and responsibilities effectively.

1.9 Directors' Training

Save for Dr. Wolfgang Baier, all the other Directors of the Company have attended the Mandatory Accreditation Programme conducted by BURSATRA Sdn Bhd within the stipulated timeframe required in the Listing Requirements. Dr. Wolfgang Baier who was recently appointed to the Board, has registered to attend the Mandatory Accrediation Programme in early December 2012.

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:

- The Board's Role in Governance & The Audit Committee Oversight Responsibilities
- Boardroom Briefing for Directors
- Internal Control Framework - A Practical Insight In Doing It Right
- Corporate Communication Forum
- World Mail and Express Asia Pacific - Industry Innovation : Delivering Economic Leadership
- Presentation on the European soverign debt crisis and the German Perspective:
  1) Overview of the crisis and its impact on the EURO
  2) Insight into the resilient German Economy
- Gen Y - Managing the Next Generation Workforce
- Asean Single Window (ASW) Symposium
- Bursa Malaysia's Half Day Governance Programme
- Role of the Audit Committee in Assuring Audit Quality

The Board encourages its Directors to attend talks, workshops, seminars and conferences to keep abreast with the latest developments and to enhance their skills to assist them in discharging their responsibilities towards corporate governance, operational and regulatory issues effectively.

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 2012 categorized into appropriate components are as follows:

	Executive Directors RM	Non-Executive Directors RM
Remuneration		
- Salaries and other emoluments	565,320	44,000
- Defined contribution plan (EPF)	59,957	-
- Fees	-	76,120
	625,277	120,120

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	-	4
RM50,001 – RM100,000	-	-
RM100,001 – RM150,000	-	-
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	-	-
RM250,001 – RM300,000	1	-
RM300,001 – RM350,000	1	-

Statement on Corporate Governance
cont'd

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 uses the Annual General Meeting as a 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 and Procedures 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 Bursa Securities including the quarterly results and annual results.

Corporate Disclosure Policy and Procedures ("CDPP")

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

Objectives CDPP

- To raise awareness and provide guidance to the 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.

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

3.2 Policy *cont'd*

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 Affairs 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) overseeing and coordinating the disclosure of information to Bursa Securities, analysts, brokers, shareholders, media and the public.
  (ii) ensuring compliance with the continuous disclosure requirements.
  (iii) educating Directors and employees on the CDPP.

Statement on Corporate Governance
cont'd

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 for and 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 requested 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 Annual Report are dispatched to shareholders at least twenty one (21) days before the date of the meeting as prescribed under the ACE Market 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 acknowledges the importance for a sound internal control system in GDEX Group, covering not only financial controls but also controls relating to operational, compliance and risk management to safeguard and enhance the value of the Company's shareholders. The GDEX Group's Statement on Internal Control is set out on pages 47 to 50 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 Code, the Audit Committee has met up with the external auditors twice during the financial year, without the presence of any Executive Board Members and Management.

4. ACCOUNTABILITY AND AUDIT *cont'd*

4.3 Relationship with Auditors *cont'd*

From time to time, the external auditors highlight to the Audit Committee and the Board on matters that require the Audit Committee's and the Board's attention.

The roles of the Audit Committee in relation to the external auditors is set out in the Audit Committee Report on pages 40 to 46 of the Annual Report.

4.4 Compliance Statement

The Group has the intention to comply with all best practices set out in the Code. The only area of non-compliance with the Code is the recommended disclosure of details of the remuneration of each Director. 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 Rule 15.26(a), of the ACE Market 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 gives a true and fair view of the financial position of GDEX Group and of the Company as at the financial year end and of the financial performance 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 2012 on pages 52 to 114 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 Financial Reporting 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 page 59 to 60.

Statement made in accordance with the resolution of the Board of Directors dated 17 October 2012.

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

Additional Compliance Information

1. MATERIAL CONTRACTS

For the financial year ended 30 June 2012, there were no other material contracts entered into by the Company and its subsidiary companies with Directors and/or substantial shareholders, either will subsisting at the end of the financial year, or which were entered into since the end of previous financial year.

2. RECURRENT RELATED PARTY TRANSACTION OF REVENUE OR TRADING NATURE

Details of the recurrent related party transactions made during the financial year ended 30 June 2012 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 2012 (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
Provision of express delivery services	GDSB	Singpost	Ng Hin Lee (resigned on 12.09.12) Dr. Wolfgang Baier (appointed on 12.09.12)	NIL
Provision of express delivery services	GD(S)	Singpost	Ng Hin Lee (resigned on 12.09.12) Dr. Wolfgang Baier (appointed on 12.09.12)	252,945

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.
(4) GD(S), GD Express (S) Pte Ltd, a wholly-owned subsidiary of the Company.
(5) Singpost, Singapore Post Limited, a substantial shareholder of the Company.

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.

Additional Compliance Information
cont'd

4. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

Subsequent to the financial year end, 4,181,820 warrants have been exercised and converted to ordinary share capital. As at 2 October 2012, total paid up share capital of the Company has been increased to 261,367,858 shares of RM0.10 per share, with 47,255,387 free warrants remained unexercised.

Save as disclosed above, the Company does not have any options or convertible securities in issue or exercised during the financial year ended 30 June 2012.

5. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme for the financial year ended 30 June 2012.

6. IMPOSITION OF SANCTIONS 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 2012, the Group paid RM20,000 to the external auditors for half year interim audit.

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 announce any profit estimate, forecast or projections for the financial year ended 30 June 2012.

9. PROFIT GUARANTEE

During the financial year ended 30 June 2012, there were no profit guarantees given by the Company.

10. UTILISATION OF PROCEEDS

During the financial year ended 30 June 2012, there were no new issue of shares and no proceeds derived thereto.

11. 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 Bhd ("GDEX" or "the Company") is pleased to present the report of the Audit Committee for the financial year ended 30 June 2012.

MEMBERSHIP

During the financial year, the Audit Committee comprises of the 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)	Lim Cheng Sung @ Lim Cheng Sang *(appointed on 15 February 2012)*	Independent Non-Executive Director (Member)
(iii)	Liew Heng Heng	Independent Non-Executive Director (Member)
(iv)	Nolee Ashilin binti Mohammed Radzi	Independent Non-Executive Director (Member)

TERMS OF REFERENCE

The following terms of reference of Audit Committee were adopted:

1. Composition of Audit Committee

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

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

1.1 Retirement and resignation

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

1.2 Chairman

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

TERMS OF REFERENCE *cont'd*

2. Membership

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

- Must be a member of the Malaysian Institute of Accountants; or
- If he is not a member of the Malaysian Institute of Accountants, the member must have at least 3 years' working experience and:-
  - (a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
  - (b) he must be a member of one of the associations of the accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
- Must have fulfilled such other requirements as prescribed or approved by Bursa Securities.

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

3. Terms of Membership

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

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

4. Authority

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

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

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

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

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

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

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

Audit Committee Report
cont'd

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;

Audit Committee Report
cont'd

TERMS OF REFERENCE *cont'd*

6. Duties and Responsibilities *cont'd*

The duties and responsibilities of the Committee should include the following:- *cont'd*

- To consider other topics as defined by the Board of Directors;
- To verify the allocation of Employees' Share Option Scheme ("ESOS') in compliance with the criteria as stipulated in the by-laws of ESOS of the Company; and
- To review the assistance given by the employees of the Company to the external auditors.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 30 June 2012, the Audit Committee met five (5) times on the following dates:-

- 25 August 2011
- 17 October 2011
- 24 November 2011
- 15 February 2012
- 9 May 2012

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)	Lim Cheng Sung @ Lim Cheng Sang (appointed on 15 February 2012)	1/1	100
(iii)	Liew Heng Heng	5/5	100
(iv)	Nolee Ashilin binti Mohammed Radzi	3/5	60

All Audit Committee meetings were held at the Conference Room of the Company, at No. 17, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The activities of the Audit Committee include the following:-

1. Financial Reporting

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

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

1. Financial Reporting *cont'd*

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

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

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

2. Internal Audit

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

3. External Audit

(a) reviewed with the external auditors :

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

4. Related Party Transactions

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

During the financial year ended 30 June 2012, 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.

Audit Committee Report
cont'd

INTERNAL AUDIT FUNCTION

The Committee has established an internal audit department comprises of 4 personnel, 1 department head, 1 executive and 2 senior officers. This Internal Audit team is supported by three other units within the Quality Assurance Group, namely Service Quality Unit, Process Compliance Unit and Measurement Unit, total 24 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 2012 amounted to RM156,550.

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

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

2. Internal audit executed in accordance with the approved annual audit plan. During this financial year, the internal audit has audited the following business processes in 18 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 18 branches include Muar, Shah Alam, Kluang, Kuantan, Kota Bahru, Alor Setar, Subang Jaya, Bintulu, Miri, Pontian, Kepong, Rawang, Penang, Lahad Datu, Sandakan, Teluk Intan, Taiping and Johor Bahru.

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.

Statement on Internal Control
cont'd

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

1. Control Environment *cont'd*

o *Corporate Philosophy*

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

o *Policies and Procedures*

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

o *Human Resource*

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

o *Budget Plan and Budget*

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

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

o *Insurance and Physical Safeguard*

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

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

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.

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.

Statement on Internal Control
cont'd

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

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.

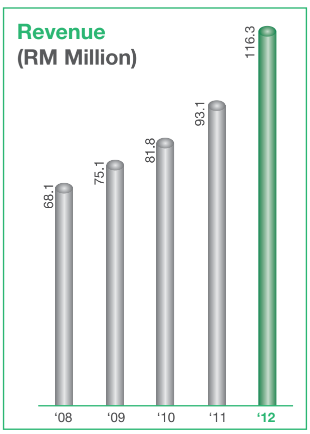
REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

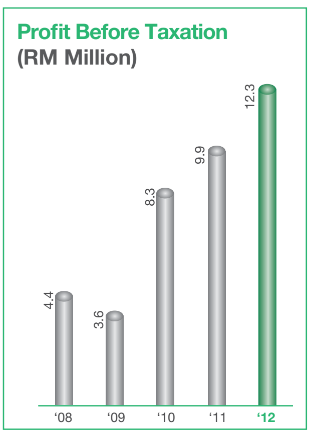
The external auditors have reviewed this Statement on Internal Control for the inclusion in the annual report of the Group for the year ended 30 June 2012 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

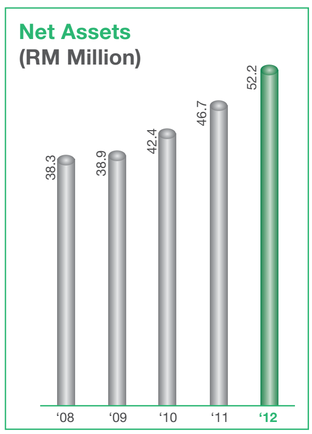
Statement made in accordance with the resolution of the Board of Directors dated 17 October 2012.

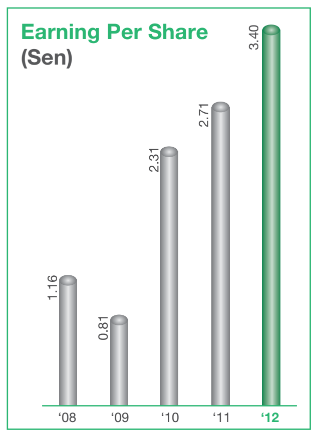
Financial Highlights

	Group year ended 30 June 2012 RM'000	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
Revenue	**116,322**	93,071	81,839	75,093	68,080
Profit from operations	**13,391**	10,350	8,301	3,850	4,442
Profit before tax	**12,253**	9,862	8,257	3,561	4,364
Profit after tax	**8,744**	6,976	5,953	2,082	2,976
Return on revenue	**8%**	7%	7%	3%	4%
Profit attributable to ordinary equity holders	**8,744**	6,976	5,953	2,082	2,976
Net assets	**52,225**	46,730	42,387	38,944	38,282
Paid-up capital	**25,719**	25,719	25,719	25,719	25,719
Shareholders' equity	**52,225**	46,730	42,387	38,944	38,282
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
Basic earnings per share (sen)	**3.40**	2.71	2.31	0.81	1.16
Diluted earnings per share (sen)	**3.05**	2.51	-	-	-
Net assets per share (RM)	**0.20**	0.18	0.16	0.15	0.15
Share price at end of financial year (RM)	**1.000**	1.010	0.450	0.440	0.615









Financial Statements

Report of the Directors

The directors of GD EXPRESS CARRIER BHD 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 2012.

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 14 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	12,252,883	4,328,786
Income tax expense	(3,508,580)	(84,566)
Profit for the year	8,744,303	4,244,220

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

DIVIDENDS

A 12.5% single tier dividend amounting to RM3,214,825 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 approximately RM3.267 million in respect of the financial year ended 30 June 2012. 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.

Report of the Directors
cont'd

WARRANTS 2011/2016

As mentioned in Note 17 to the financial statements, 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 was completed upon admission of the warrants to the Official List of Bursa Malaysia Securities Berhad and the listing of and quotation for the warrants on the ACE market of Bursa Malaysia Securities Berhad.

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 on 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 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 1.7.2011	**Granted**	**Exercised**	**As of 30.6.2012**
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.

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.

Report of the Directors
cont'd

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
Lim Cheng Sung @ Lim Cheng Sang *(appointed on 07.12.2011)*
Dr. Wolfgang Baier *(appointed on 12.09.2012)*
Ng Hin Lee *(resigned on 12.09.2012)*

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

Dr. Wolfgang Baier, 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.

Pursuant to Section 129(6) of the Companies Act 1965, Mr. Lim Cheng Sung @ Lim Cheng Sang who is over seventy years of age retires and a resolution will be proposed for his re-appointment as director under the provision of Section 129(6) of the Act to hold office until the conclusion of the following Annual General Meeting of the Company.

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 1.7.2011	Bought	Sold	As of 30.6.2012
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	6,288,743	150,000	-	6,438,743
Liew Heng Heng	125,000	-	-	125,000

Report of the Directors
cont'd

DIRECTORS' INTERESTS *cont'd*

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: *cont'd*

	Number of ordinary shares of RM0.10 each			
	As of 1.7.2011	Bought	Sold	As of 30.6.2012
Shares in the Company *cont'd*				
Indirect interest				
Teong Teck Lean	105,713,496	-	-	105,713,496*
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	4,625,000	-	-	4,625,000^

* *Deemed interest by virtue of his personal and 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).*

	Number of warrants over ordinary shares of RM0.10 each			
	As of 1.7.2011	Bought	Sold	As of 30.6.2012
Warrants in the Company				
Direct interests				
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	200,000	-	-	200,000
Teong Teck Lean	7,500	-	-	7,500
Leong Chee Tong	3,257,748	-	-	3,257,748
Liew Heng Heng	125,000	-	-	125,000
Indirect interest				
Teong Teck Lean	27,510,299	-	-	27,510,299*

* *Deemed interest by virtue of his personal and 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.*

Report of the Directors
cont'd

DIRECTORS' INTERESTS *cont'd*

By virtue of the above directors' interest in the shares and warrants 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 16 to the Financial Statements.

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

SUBSEQUENT EVENT

On 6 July 2012 and 30 August 2012, the Company announced the exercise of 4,131,820 and 50,000 Warrants into 4,131,820 and 50,000 ordinary shares of RM0.10 each at an exercise price of RM0.585 per ordinary share respectively. Accordingly, the issued and paid up ordinary share capital of the Company was increased from RM25,718,604 comprising 257,186,038 ordinary shares of RM0.10 each to RM26,136,786 comprising 261,367,858 ordinary shares of RM0.10 each.

The share premium amounting to RM2,028,183 arising from the exercise has been credited to the Share Premium account.

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 2012

Independent Auditors' Report

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of GD EXPRESS CARRIER BHD, which comprise the statements of financial position of the Group and of the Company as of 30 June 2012 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 61 to 112.

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. 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 2012 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS *cont'd*

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

(b) We have considered the accounts and auditors' reports of subsidiary companies of which we have not acted as auditors, as shown in Note 14 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 in Note 31 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.

OTHER MATTERS

This report is made solely to the members of the Company, 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.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

HIEW KIM TIAM
Partner - 1717/08/13 (J)
Chartered Accountant

17 October 2012

Statements of Comprehensive Income
for the year ended 30 June 2012

	Note	The Group 2012 RM	The Group 2011 RM	The Company 2012 RM	The Company 2011 RM
Revenue	6	116,321,540	93,070,879	4,325,000	4,325,000
Other operating income	7	504,124	485,836	511,520	467,191
Direct costs - transportation	7	(23,795,452)	(18,737,357)	-	-
Staff costs	7	(58,430,896)	(46,702,015)	-	-
Depreciation of property, plant and equipment	11	(4,460,637)	(3,592,025)	-	-
Amortisation of prepaid lease payments	12	(605,002)	(414,287)	-	-
Finance costs	8	(1,642,207)	(973,465)	-	-
Other operating expenses	7	(15,638,587)	(13,275,138)	(507,734)	(304,134)
Profit before tax	7	12,252,883	9,862,428	4,328,786	4,488,057
Income tax expense	9	(3,508,580)	(2,886,132)	(84,566)	(64,078)
Profit for the year		8,744,303	6,976,296	4,244,220	4,423,979
Other comprehensive income/(loss)					
Realisation of revaluation reserve transferred to retained earnings		3,000	3,000	-	-
Exchange differences on translating foreign operations		(37,186)	(64,359)	-	-
Other comprehensive loss for the year - net		(34,186)	(61,359)	-	-
Total comprehensive income for the year		8,710,117	6,914,937	4,244,220	4,423,979
Profit for the year attributable to:					
Owners of the Company		8,744,303	6,976,296	4,244,220	4,423,979
Total comprehensive income attributable to:					
Owners of the Company		8,710,117	6,914,937	4,244,220	4,423,979
Earnings per ordinary share					
Basic (sen)	10	3.40	2.71		
Diluted	10	3.05	2.51		

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

Statements of Financial Position
as of 30 June 2012

	Note	The Group 2012 RM	The Group 2011 RM	The Company 2012 RM	The Company 2011 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	28,898,390	23,816,586	-	-
Prepaid lease payments	12	22,717,175	23,322,177	-	-
Goodwill on consolidation	13	137,141	137,141	-	-
Investment in subsidiary companies	14	-	-	20,610,606	18,569,413
Total Non-Current Assets		51,752,706	47,275,904	20,610,606	18,569,413
Current Assets					
Inventories - at cost		406,297	477,530	-	-
Trade receivables	15	27,039,004	23,876,962	-	-
Other receivables and prepaid expenses	15	3,558,721	2,697,415	180,185	183,642
Amount owing by subsidiary companies	14	-	-	9,766,364	10,833,324
Tax recoverable		514,505	-	28,798	-
Deposits with licensed banks	25	7,954,776	5,393,088	3,505,641	3,415,724
Cash and bank balances	25	4,371,271	6,875,947	40,629	142,216
Total Current Assets		43,844,574	39,320,942	13,521,617	14,574,906
Total Assets		95,597,280	86,596,846	34,132,223	33,144,319

Statements of Financial Position
as of 30 June 2012
cont'd

	Note	The Group 2012 RM	The Group 2011 RM	The Company 2012 RM	The Company 2011 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	17	25,718,604	25,718,604	25,718,604	25,718,604
Reserves	18	26,506,812	21,011,520	8,309,895	7,280,500
Total Equity		52,225,416	46,730,124	34,028,499	32,999,104
Non-Current and Deferred Liabilities					
Hire-purchase payables - non-current portion	19	2,167,539	2,969,956	-	-
Borrowings (secured) - non-current portion	20	16,241,004	16,784,619	-	-
Provision for retirement benefits	21	81,438	163,187	-	-
Deferred tax liabilities	22	1,809,201	1,111,321	-	-
Total Non-Current and Deferred Liabilities		20,299,182	21,029,083	-	-
Current Liabilities					
Trade payables	23	2,559,292	2,194,110	-	-
Other payables and accrued expenses	23	10,468,463	6,543,229	103,724	113,637
Amount owing to subsidiary company	14	-	-	-	3,684
Amount owing to directors	16	-	4,345	-	5
Hire-purchase payables - current portion	19	2,548,639	2,343,436	-	-
Borrowings (secured) - current portion	20	7,168,783	7,068,105	-	-
Tax liabilities		327,505	684,414	-	27,889
Total Current Liabilities		23,072,682	18,837,639	103,724	145,215
Total Liabilities		43,371,864	39,866,722	103,724	145,215
Total Equity and Liabilities		95,597,280	86,596,846	34,132,223	33,144,319

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

Statements of Changes in Equity
for the year ended 30 June 2012

The Group	Note	Issued capital	Share premium	Translation reserve	Revaluation reserve	Reserve - Retained earnings	Total
			Non-Distributable Reserves			Distributable	
		RM	RM	RM	RM	RM	RM
As of 1 July 2010		25,718,604	618,070	2,259	408,721	15,639,393	42,387,047
Other comprehensive (loss)/ income for the year		-	-	(64,359)	(8,821)	11,821	(61,359)
Profit for the year		-	-	-	-	6,976,296	6,976,296
Total comprehensive (loss)/ income for the year		-	-	(64,359)	(8,821)	6,988,117	6,914,937
Dividends	24	-	-	-	-	(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
As of 1 July 2011		25,718,604	618,070	(62,100)	399,900	20,055,650	46,730,124
Other comprehensive (loss)/ income for the year		-	-	(37,186)	(8,821)	11,821	(34,186)
Profit for the year		-	-	-	-	8,744,303	8,744,303
Total comprehensive (loss)/ income for the year		-	-	(37,186)	(8,821)	8,756,124	8,710,117
Dividends	24	-	-	-	-	(3,214,825)	(3,214,825)
As of 30 June 2012		25,718,604	618,070	(99,286)	391,079	25,596,949	52,225,416

Statements of Changes in Equity
for the year ended 30 June 2012
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 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	24	-	-	(2,571,860)	(2,571,860)
As of 30 June 2011/1 July 2011		25,718,604	618,070	6,662,430	32,999,104
Total comprehensive income for the year		-	-	4,244,220	4,244,220
Dividends	24	-	-	(3,214,825)	(3,214,825)
As of 30 June 2012		25,718,604	618,070	7,691,825	34,028,499

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

Statements of Cash Flows
for the year ended 30 June 2012

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit for the year	8,744,303	6,976,296	4,244,220	4,423,979
Adjustments for:				
Depreciation of property, plant and equipment	4,460,637	3,592,025	-	-
Income tax expense	3,508,580	2,886,132	84,566	64,078
Finance costs	1,642,207	973,465	-	-
Amortisation of prepaid lease payments	605,002	414,287	-	-
Property, plant and equipment written off	48,777	-	-	
Impairment loss on trade receivables	41,196	119,389	-	-
Bad debts written off	86	-	-	-
Interest income	(209,921)	(190,773)	(98,930)	(107,191)
(Provision for retirement benefits no longer required)/Provision for retirement benefit	(81,950)	90,082	-	-
Gain on disposal of property, plant and equipment	(68,525)	(153,728)	-	-
Dividend income from subsidiary company	-	-	(4,325,000)	(4,325,000)
Impairment loss of investment in subsidiary companies	-	-	204,327	-
Operating Profit Before Working Capital Changes	18,690,392	14,707,175	109,183	55,866
(Increase)/Decrease in:				
Inventories	71,233	(106,252)	-	-
Trade receivables	(3,199,739)	(4,264,298)	-	-
Other receivables and prepaid expenses	(859,213)	(820,300)	3,456	(163,484)
Increase/(Decrease) in:				
Trade payables	364,757	(466,218)	(3,684)	-
Other payables and accrued expenses	3,922,767	1,043,098	(9,918)	1,216
Cash Generated From/(Used In) Operations	18,990,197	10,093,205	99,037	(106,402)
Income tax paid	(3,679,114)	(2,424,329)	(141,253)	(57,689)
Net Cash From/(Used In) Operating Activities	15,311,083	7,668,876	(42,216)	(164,091)

Statements of Cash Flows
for the year ended 30 June 2012
cont'd

	Note	The Group 2012 RM	The Group 2011 RM	The Company 2012 RM	The Company 2011 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Increase in amount owing by subsidiary companies		-	-	(678,560)	(1,674,825)
Investment in subsidiary companies		-	-	(500,000)	(999,905)
Decrease in deposits for the purchase of property, plant and equipment		-	2,013,786	-	-
Additions to property, plant and equipment *		(8,487,066)	(7,156,676)	-	-
Additions to prepaid lease payments*		-	(16,726,061)	-	-
Proceeds from disposal of property, plant and equipment		119,483	226,599	-	-
Interest received		209,921	190,773	98,930	107,191
(Increase)/Decrease in fixed deposits pledged with licensed banks		306,364	(1,442)	308,000	-
Dividends received		-	-	4,325,000	4,325,000
Net Cash (Used In)/From Investing Activities		(7,851,298)	(21,453,021)	3,553,370	1,757,461
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
(Decrease)/Increase in amount owing to directors		(4,345)	(29,697)	-	5
Repayment of Islamic debt facilities		(2,622,053)	(302,691)	-	-
Net proceeds from bank borrowings		2,179,116	21,230,671	-	-
Payments of hire-purchase payables		(1,747,740)	(3,257,748)	-	-
Finance costs paid		(1,642,207)	(973,465)	-	-
Dividends paid		(3,214,825)	(2,571,860)	(3,214,824)	(2,571,860)
Net Cash (Used In)/From Financing Activities		(7,052,054)	14,095,210	(3,214,824)	(2,571,855)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		407,731	311,065	296,330	(978,485)
Effect of exchange differences		(44,355)	133,995	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		11,606,493	11,161,433	3,249,940	4,228,425
CASH AND CASH EQUIVALENTS AT END OF YEAR	25	11,969,869	11,606,493	3,546,270	3,249,940

Statements of Cash Flows
for the year ended 30 June 2012
cont'd

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

	The Group	
	2012	2011
	RM	RM
Purchase of:		
Property, plant and equipment	9,631,666	13,035,448
Prepaid lease payment	-	16,726,061
	9,631,666	29,761,509
Financed by:		
Cash payments	8,487,066	7,156,676
Other payables	-	763,759
Hire-purchase	1,144,600	5,115,013
Term loan	-	16,726,061
	9,631,666	29,761,509

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 investment holding.

The principal activities of the subsidiary companies are as disclosed in Note 14.

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

The Company's registered office is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, 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 2012.

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.

2.1 Adoption of New and Revised Financial Reporting Standards

In the current financial year, the Group and the Company has adopted all the new and revised Standards issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and effective for annual periods beginning on or after 1 July 2011 as follows:

FRS 3	Business Combination (revised)
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)
FRS 127	Consolidated and Separate Financial Statements (revised)
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to additional consequential amendments arising from revised FRS 3 and revised FRS 127)
FRS 124	Related Party Disclosure (Revised)
Improvements to FRSs 2010	

The adoption of these new and revised Standards has not affected the amounts reported on the financial statements of the Group and of the Company.

In addition, on 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework") in conjunction with its planned convergence of FRSs with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board on 1 January 2012.

Notes to the Financial Statements
cont'd

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

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

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework for an additional one year. Transitioning Entities also include those entities that consolidate, equity account or proportionately consolidate an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2012. However, on 30 June 2012, the MASB decided to extend the aforementioned transitional period for another one year. Thus Transitioning Entities are given an additional option to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2013. Consequently, the MFRS Framework will be mandatory for Transitioning Entities for application for annual periods beginning on or after 1 January 2014.

Accordingly, the Group and the Company which are not Transitioning Entities will be required to apply MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (MFRS 1) in their financial statements for the financial year ending 30 June 2013, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's and the Company's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

2.1.1 Standards and IC Interpretations Affecting Presentation and Disclosure only

Amendments to FRS 7 Financial Instruments: Disclosures (Improving disclosures about financial instruments)

The amendments to FRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group and the Company have elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

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 unless otherwise indicated in the significant accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents income from the provision of express delivery services and customised logistic solution 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 all its subsidiary companies listed under Note 14 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 during the financial year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal.

All significant intercompany balances and transactions are eliminated on consolidation.

Business Combinations

The acquisition of subsidiary company is accounted for using the acquisition method. The cost of the business combination is measured as 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 the recognition under FRS 3 Business Combinations (revised) are recognised at their fair values at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 Income Taxes and FRS 119 Employee Benefits respectively.

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 2 share-based payment; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date - and is subject to a maximum of one year.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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 other comprehensive income and accumulated in a separate component of equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income and accumulated in a separate component of 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.

(b) Post-employment Benefits

(i) Defined Contribution Plan

The Group makes contributions to the Employees 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.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Employee Benefits *cont'd*

(b) Post-employment Benefits *cont'd*

(ii) Defined Benefit Plan

The Group has an 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 as provided by the actuarial estimation of costs and liabilities of Retirement Benefit Scheme of the Company.

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.

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.

Notes to the Financial Statements
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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

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

Investment in Subsidiary Companies

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

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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:

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

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.

Notes to the Financial Statements
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

(a) Financial Assets *cont'd*

(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.

(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.

Notes to the Financial Statements
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

(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.

(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.

(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 any indication of impairment in those assets. Significant judgement is required to determine the extent and amount of the impairment loss (if any).

Allowance for Impairment

The Group makes allowance for impairment 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 impairment 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 impairment loss in the period in which such estimate has been changed.

5. SEGMENT REPORTING

Business Segments

The Group has two reportable business segments and operates predominantly in Malaysia and Singapore, which are the Group's strategic business units. The strategic business units offer different services and are managed separately because they require different resources management and marketing strategies.

Notes to the Financial Statements
cont'd

5. SEGMENT REPORTING *cont'd*

Business Segments *cont'd*

The following is an analysis of the Group's revenue and results by the reportable business segments.

	Group			
	Segment Revenue		Segment Profit /(Loss)	
	2012 RM	2011 RM	2012 RM	2011 RM
Express delivery	115,935,594	92,965,002	14,080,887	10,796,573
Logistics	385,946	105,877	(185,797)	39,320
Total	116,321,540	93,070,879	13,895,090	10,835,893
Finance costs			(1,642,207)	(973,465)
Profit before tax			12,252,883	9,862,428

Revenue shown above represents revenue generated from external customers. All inter-company transactions have been eliminated on consolidation level.

The following is an analysis of the carrying amount of segment assets and liabilities by the business segments in which the assets and liabilities are located:

	Carrying amount of segment assets and liabilities	
	2012 RM	2011 RM
Segment Assets		
Express Delivery	93,110,952	86,088,686
Logistics	1,971,823	508,160
	95,082,775	86,596,846
Unallocated corporate assets		
- Tax recoverable	514,505	-
	95,597,280	86,596,846
Segment Liabilities		
Express Delivery	41,036,272	38,024,556
Logistics	198,886	46,431
	41,235,158	38,070,987
Unallocated liabilities		
- Tax liabilities	327,505	684,414
- Deferred tax liabilities	1,809,201	1,111,321
	43,371,864	39,866,722

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated directly to reportable segments.

5. SEGMENT REPORTING *cont'd*

Geographical Segments

The following is an analysis of the Group's revenue by geographical market:

	Revenue by geographical market	
	2012	2011
	RM	RM
Malaysia	115,209,288	92,033,375
Singapore	1,112,252	1,037,504
	116,321,540	93,070,879

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

	Carrying amount of segment non-current assets	
	2012	2011
	RM	RM
Malaysia	51,123,290	46,519,908
Singapore	629,416	755,996
	51,752,706	47,275,904

6. REVENUE

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Income from provision of express delivery services	116,321,540	93,070,879	-	-
Dividend income from subsidiary company	-	-	4,325,000	4,325,000
	116,321,540	93,070,879	4,325,000	4,325,000

Notes to the Financial Statements
cont'd

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

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

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Interest income	209,921	190,773	98,930	107,191
Provision for retirement benefits no longer required/ (Provision for retirement benefits) (Note 21)	81,950	(90,082)	-	-
Gain on disposal of property, plant and equipment	68,525	153,728	-	-
Realised gain on foreign exchange	16,582	-	16,590	-
Rental of premises	(2,461,978)	(2,837,614)	-	-
Directors' remuneration:				
Salaries and other Emoluments	(1,212,542)	(543,280)	(8,000)	(6,200)
Fees	(76,120)	(103,200)	(76,120)	(103,200)
Employees Provident Fund contributions	(118,994)	(48,312)	-	-
Rental of warehouse	(953,888)	-	-	-
Auditors' remuneration:				
Statutory:				
Current year	(99,813)	(94,558)	(30,000)	(28,000)
Underprovision in prior year	(1,000)	(1,000)	-	-
Special	(20,000)	-	(20,000)	-
Property, plant and equipment written off	(48,777)	-	-	-
Impairment loss on trade receivables	(41,196)	(119,389)	-	-
Bad debts written off	(86)	-	-	-
Impairment loss on investment in subsidiary companies	-	-	(204,327)	-

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 RM4,451,732 (2011: RM3,265,368).

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	
	2012	2011
	RM	RM
Short-term employee benefits	573,451	515,374
Defined contribution plans	48,114	49,128
	621,565	564,502

Directors' remuneration of the Group and the Company during the year are as follows:

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Directors of the Company:				
Executive:				
Salaries and other emoluments	1,168,542	451,080	-	-
Employees Provident Fund contribution	118,994	48,312	-	-
	1,287,536	499,392	-	-
Non-Executive:				
Salaries and other emoluments	44,000	92,200	8,000	6,200
Fees	76,120	103,200	76,120	103,200
	120,120	195,400	84,120	109,400
	1,407,656	694,792	84,120	109,400

Notes to the Financial Statements
cont'd

8. FINANCE COSTS

	The Group	
	2012	2011
	RM	RM
Interest expense/Profit payments on:		
Term loan	942,512	498,219
Hire-purchase	376,015	300,493
Short term revolving credit	292,899	64
Islamic debt facilities - Al Bai Bithaman Ajil	30,781	174,689
	1,642,207	973,465

9. INCOME TAX EXPENSE

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Estimated tax payable:				
Current year	2,799,936	2,095,435	73,000	65,000
(Over)/Underprovision in prior years	7,764	(14,149)	11,566	(922)
	2,807,700	2,081,286	84,566	64,078
Deferred tax (Note 22):				
Current year	647,666	806,666	-	-
(Over)/Underprovision in prior years	53,214	(1,820)	-	-
	700,880	804,846	-	-
	3,508,580	2,886,132	84,566	64,078

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	
	2012	2011	2012	2011
	RM	RM	RM	RM
Profit before tax	12,252,883	9,862,428	4,328,786	4,488,057
Tax at tax rate of 25%	3,063,542	2,465,607	1,082,197	1,122,014
Effect of different tax rates	(25,948)	(8,633)	-	-
Tax effects of:				
Income that are not taxable in determining taxable profit	(59,488)	-	(1,081,250)	(1,081,250)
Expenses that are not deductible in determining taxable profit	390,662	499,249	72,053	24,236
Realisation of deferred tax asset previously not recognised	-	(54,122)	-	-
Deferred tax asset not recognised	78,834	-	-	-
Under/(Over)provision in prior years:				
Current tax	7,764	(14,149)	11,566	(922)
Deferred tax	53,214	(1,820)	-	-
Income tax expense	3,508,580	2,886,132	84,566	64,078

Notes to the Financial Statements
cont'd

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	
	2012	2011
	RM	RM
Net profit attributable to owners of the Company	8,744,303	6,976,296
	Number of shares	
Number of shares in issue	257,186,038	257,186,038
Basic earnings per ordinary share (sen)	3.40	2.71

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 outstanding Warrants, adjusted by the number of such shares that would have been issued at fair value as follows:

	The Group	
	2012	2011
	RM	RM
Net profit attributable to owners of the Company	8,744,303	6,976,296
	Number of shares	
Weighted average number of ordinary shares outstanding	257,186,038	257,186,038
Effect of dilution:		
Warrants	29,214,336	20,543,197
Adjusted weighted average number of ordinary shares	286,400,374	277,729,235
Diluted earnings per share (sen)	3.05	2.51

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold 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 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/ 1 July 2011	6,482,765	5,519,938	10,303,156	1,777,230	24,853,117	5,521,757	54,457,963
Additions	-	1,282,716	1,283,939	3,016,688	3,020,807	1,027,516	9,631,666
Disposals	-	(11,850)	-	(3,200)	(226,443)	(48,410)	(289,903)
Written off	(31,033)	-	-	-	(50,450)	-	(81,483)
Exchange differences	-	551	113	44	17,592	3,575	21,875
As of 30 June 2012	6,451,732	6,791,355	11,587,208	4,790,762	27,614,623	6,504,438	63,740,118
Representing:							
At cost	4,839,882	6,803,205	11,584,008	4,769,462	27,590,713	6,552,848	62,140,118
At valuation	1,600,000	-	-	-	-	-	1,600,000
Accumulated Depreciation							
As of 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/ 1 July 2011	172,895	2,923,653	9,006,209	819,152	13,842,853	3,876,615	30,641,377
Charge for the year	130,253	637,103	684,413	345,864	2,029,254	633,750	4,460,637
Disposals	-	(9,282)	-	-	(226,436)	(3,227)	(238,945)
Written off	(465)	-	-	-	(32,241)	-	(32,706)
Exchange differences	-	372	115	23	8,232	2,623	11,365
As of 30 June 2012	302,683	3,551,846	9,690,737	1,165,039	15,621,662	4,509,761	34,841,728

Notes to the Financial Statements
cont'd

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

The Group	Leasehold Buildings RM	Office equipment, furniture and fittings RM	Computer hardware and software RM	Tools and equipment RM	Motor Vehicles RM	Renovation RM	Total RM
Net Book Value							
Representing:							
At cost	4,670,071	3,251,359	1,893,271	3,604,423	11,969,051	2,043,087	27,431,262
At valuation	1,467,128	-	-	-	-	-	1,467,128
As of 30 June 2012	6,149,049	3,239,509	1,896,471	3,625,723	11,992,961	1,994,677	28,898,390
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

Included in property, plant and equipment of the Group are property, plant and equipment under hire-purchase arrangements with net book value of approximately RM8,096,195 (2011: RM8,697,900).

As of 30 June 2012, the building of the Group with net book value amounting to RM6,137,199 (2011: RM6,309,870) together with the leasehold land as disclosed in Note 12 have been charged to a local licensed bank for credit facilities granted to certain subsidiary companies as disclosed in Note 20.

Included in the cost of property, plant and equipment of the Group is an amount of approximately RM19,172,800 (2011: RM17,926,700) representing fully depreciated property, plant and equipment which are still in use by the Group.

One of the buildings of the Group was revalued in 2008 by the directors based on a valuation carried out by Raine & Horne International Zaki & Partners Sdn Bhd, an independent firm of valuers, which determined the fair value by reference to market value basis. The surplus which arose from revaluation was credited to the revaluation reserve account as disclosed in Note 18. No adjustment has been made to the carrying amount of the building of the Group since 2008 as the directors concluded 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 2012 RM	The Group 2011 RM
Cost	1,064,516	1,064,516
Accumulated depreciation	(119,039)	(97,749)
Net book value	945,477	966,767

12. PREPAID LEASE PAYMENTS

	Long-term leasehold land
	The Group
	RM
Cost:	
As of 1 July 2010	7,398,658
Addition	16,726,061
As of 30 June 2011/1 July 2011/30 June 2012	24,124,719
Cumulative Amortisation:	
As of 1 July 2010	(388,255)
Amortisation for the year	(414,287)
As of 30 June 2011/1 July 2011	(802,542)
Amortisation for the year	(605,002)
As of 30 June 2012	(1,407,544)
Unamortised Prepaid Lease Payments:	
As of 30 June 2012	22,717,175
As of 30 June 2011	23,322,177

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 on acquisition of 49 years and 9 months.

(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 is amortised over the period of its remaining lease term on acquisition of 49 years and 4 months.

(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 on acquisition of 47 years and 4 months.

As of 30 June 2012, the leasehold land of the Group together with the building thereon as disclosed in Note 11 have been charged to a local licensed bank for credit facilities granted to certain subsidiary companies as disclosed in Note 20.

13. GOODWILL ON CONSOLIDATION

	The Group 2012 RM	The Group 2011 RM
Goodwill on consolidation	137,141	137,141

As of 30 June 2012, 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 2012 RM	The Group 2011 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.

14. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company 2012 RM	The Company 2011 RM
Unquoted shares - at cost	21,054,883	18,809,363
Less: Impairment loss	(444,277)	(239,950)
Net	20,610,606	18,569,413

14. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

During the current financial year, the Company subscribed for the following:

(a) An additional 500,000 new ordinary shares of RM1.00 each at par in its wholly-owned subsidiary company, GD Facilities & Assets Management Sdn. Bhd. for a total cash consideration of RM500,000.

(b) An additional 700,000 new ordinary shares of S$1.00 each at par in its wholly-owned subsidiary company, GD Express (Singapore) Pte. Ltd. by way of capitalising the amount owing by subsidiary amounting to S$700,000 (equivalent to RM1,745,520).

In the previous financial year, the Company acquired 100% equity interest in GDEX Regional Alliance Pte. Ltd. from certain directors for a cash consideration of S$2.00.

The effects of the abovementioned acquisition on the financial results of the Group from the date of acquisition in prior financial year are as follows:

	2011 **RM**
Administrative expenses	(10,861)
Loss before tax	(10,861)
Income tax expense	-
Decrease in Group profit attributable to shareholders	(10,861)

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

	2011 **RM**
Cash and bank balances	24,623
Other payables and accrued expenses	(35,819)
Net liabilities assumed	(11,196)

Notes to the Financial Statements
cont'd

14. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

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

The Group	At acquisition date 2011 RM
Net assets/(liabilities) assumed:	
Cash and bank balances	5
	5
Consideration paid to acquire subsidiary companies	(5)
Goodwill on acquisition	-
Net cash inflow from acquisition:	
Cash and cash equivalents of subsidiary companies acquired	5
Less: Consideration paid	(5)
Cash flow on acquisition, net of cash acquired	-

Details of the subsidiary companies are as follows:

	Country of Incorporation	Effective Equity Interest 2012 %	2011 %	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	100	Dormant

14. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Details of the subsidiary companies are as follows: *cont'd*

	Country of Incorporation	Effective Equity Interest 2012 %	Effective Equity Interest 2011 %	Principal Activities
Indirect Subsidiary Companies				
Held through GD Logistic (M) Sdn. Bhd.				
GD Secured Solutions Sdn. Bhd.*	Malaysia	100	100	Engaged in logistic operations
GD Distribution Services Sdn. Bhd.*	Malaysia	100	100	Engaged in logistic operations
GD Customised Solution Sdn. Bhd.*	Malaysia	100	100	Engaged in logistic operations

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

Amount owing by/(to) subsidiary companies, which arose mainly from management fee receivable as disclosed in Note 16, unsecured advances and payments on behalf, is interest-free and repayable on demand.

15. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables consist of:

	The Group 2012 RM	The Group 2011 RM
Trade receivables	28,277,947	25,071,102
Less: Allowance for impairment	(1,238,943)	(1,194,140)
Net	27,039,004	23,876,962

Notes to the Financial Statements
cont'd

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

The currency exposure profile of trade receivables is as follows:

	The Group	
	2012	2011
	RM	RM
Ringgit Malaysia	27,869,005	24,825,813
Singapore Dollar	408,942	245,289
	28,277,947	25,071,102

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 (2011: 30 to 90 days). No interest is charged on trade receivables. The Group has recognised an allowance for impairment against certain receivables based on estimated irrecoverable amounts determined by reference to past default experience of the Group 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 impairment 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	
	2012	2011
	RM	RM
31 - 60 days	7,066,463	6,346,117
61 - 90 days	3,200,588	3,242,780
> 90 days	3,451,674	4,116,002
Total	13,718,725	13,704,899

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

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

	The Group	
	2012	2011
	RM	RM
At beginning of year	1,194,140	2,105,709
Amount recognised during the year	41,196	119,389
Amount written off during the year	-	(1,030,958)
Translation adjustment	3,607	-
At end of year	1,238,943	1,194,140

Other receivables and prepaid expenses consist of:

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Deposits for purchase of property, plant and equipment	-	150,950	-	-
Refundable deposits	1,142,663	1,026,322	-	-
Prepaid expenses	1,327,133	862,174	180,185	183,642
Other receivables	1,088,925	657,969	-	-
	3,558,721	2,697,415	180,185	183,642

Included in other receivables of the Group is an amount of RMNil (2011: RM6,125) 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	
	2012	2011	2012	2011
	RM	RM	RM	RM
Ringgit Malaysia	3,424,096	2,580,353	180,185	183,642
Singapore Dollar	134,625	117,062	-	-
	3,558,721	2,697,415	180,185	183,642

Notes to the Financial Statements
cont'd

16. RELATED PARTY TRANSACTIONS

Amount owing to directors in 2011, which arose from payments on behalf, was unsecured, interest-free and repayable on demand.

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 and have substantial financial interest.
GD Solutions (M) Sdn. Bhd.	A company in which Mr. Teong Teck Lean and Leong Chee Tong, directors of the Company, are also directors and have substantial financial interest.
Singapore Post Limited	A substantial shareholder of GD Express Carrier Bhd.

During the financial year, significant related party transactions undertaken based on agreed terms are as follows:

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
With directors				
Acquisition of subsidiary companies	-	5	-	-
With subsidiary companies, GD Venture (M) Sdn. Bhd.				
Management fee receivable	-	-	72,000	-
GD Express Sdn. Bhd.				
Management fee receivable	-	-	180,000	180,000
GD Facilities & Assets Management Sdn. Bhd.				
Management fee receivable	-	-	72,000	-
GD Technosystem Sdn. Bhd.				
Management fee receivable	-	-	72,000	180,000
With related party, GDX Private Limited				
Software training and maintenance services payable	879,000	879,000	-	-
Singapore Post Limited				
Express delivery services receivable	252,945	168,613	-	-

17. SHARE CAPITAL

	The Group and The Company	
	2012	2011
	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 was completed upon admission of the warrants to the Official List of Bursa Malaysia Securities Berhad and the listing of and quotation for the warrants on the ACE market of Bursa Malaysia Securities Berhad.

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 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/ 1.7.2011	Granted	Exercised	As of 30.06.2011/ 30.6.2012
Number of unexercised Warrants	51,437,207	-	-	51,437,207

Notes to the Financial Statements
cont'd

18. RESERVES

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Non-distributable:				
Share premium	618,070	618,070	618,070	618,070
Translation reserve	(99,286)	(62,100)	-	-
Revaluation reserve	391,079	399,900	-	-
	909,863	955,870	618,070	618,070
Distributable:				
Retained earnings	25,596,949	20,055,650	7,691,825	6,662,430
	26,506,812	21,011,520	8,309,895	7,280,500

Share Premium

Share premium arose from the following:

	The Group and The Company	
	2012	2011
	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' financial statements are taken to the translation reserve as described in the accounting policies.

Revaluation Reserve

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

Retained Earnings

Distributable reserves are those available for distribution as cash dividends.

The entire retained earning of the Company is available for distribution of dividend under the single tier tax system.

19. HIRE-PURCHASE PAYABLES

	The Group	
	2012	**2011**
	RM	**RM**
Total outstanding	5,047,423	5,778,466
Less: Interest-in-suspense	(331,245)	(465,074)
Principal outstanding	4,716,178	5,313,392
Less: Amount due within 12 months (shown under current liabilities)	(2,548,639)	(2,343,436)
Non-current portion	2,167,539	2,969,956

The non-current portion is payable as follows:

	The Group	
	2012	**2011**
	RM	**RM**
Within 1 - 2 years	1,694,894	1,811,858
Within 2 - 5 years	472,645	1,158,098
	2,167,539	2,969,956

The interest rates implicit in these hire-purchase obligations range from 5.67% to 7.16% (2011: 5.50% to 7.81%) per annum. The hire-purchase payables are secured by a charge over the assets under hire-purchase as disclosed in Note 11.

20. BORROWINGS - SECURED

	The Group	
	2012	**2011**
	RM	**RM**
Term loan	16,909,787	17,230,671
Short-term revolving credit	6,500,000	4,000,000
Islamic debt facilities - Al Bai Bithaman Ajil	-	2,622,053
	23,409,787	23,852,724
Less: Amount due within 12 months (shown under current liabilities)	(7,168,783)	(7,068,105)
Non-current portion	16,241,004	16,784,619

Notes to the Financial Statements
cont'd

20. BORROWINGS - SECURED *cont'd*

The non-current portion is repayable as follows:

	The Group	
	2012	2011
	RM	RM
Within 1 - 2 years	693,129	619,343
Within 2 - 5 years	718,360	1,394,750
More than 5 years	14,829,515	14,770,526
	16,241,004	16,784,619

As of 30 June 2012, the Group has term loan and banking facilities totalling RM31,234,542 (2011: RM31,234,542) obtained from local licensed banks. The facilities bear interest/profit at rates ranging from 4.85% to 5.25% (2011: 4.85% 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 buildings and leasehold land of certain subsidiary companies as disclosed in Notes 11 and 12 respectively;

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

(c) Fixed deposits of subsidiary companies amounting to RM356,178 (2011: RM354,542) and fixed deposits the Company of RMNil (2011: RM308,000).

21. PROVISION FOR RETIREMENT BENEFITS

	The Group	
	2012	2011
	RM	RM
At beginning of year	163,187	73,105
Charge/(Credit) to profit or loss (Note 7)	(81,950)	90,082
Translation adjustment	201	-
At end of year	81,438	163,187

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 as provided by the actuarial estimation of costs and liabilities of Retirement Benefit Scheme of the Company.

21. PROVISION FOR RETIREMENT BENEFITS *cont'd*

The principal assumptions used in calculating the provision for retirement benefits are as follows:

	The Group	
	2012	**2011**
Discount rate	6.00%	6.00%
Monthly average staff turnover rate	8.10%	5.30%

22. DEFERRED TAX LIABILITIES

	The Group	
	2012	**2011**
	RM	**RM**
At beginning of year	(1,111,321)	(309,475)
Credit/(Charge) to profit or loss (Note 9):		
Property, plant and equipment	(724,250)	(597,846)
Trade receivables	11,000	(228,000)
Provision for retirement benefits	(20,630)	21,000
Unabsorbed capital allowances	33,000	-
	(700,880)	(804,846)
Credit to other comprehensive income	3,000	3,000
At end of year	(1,809,201)	(1,111,321)

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	
	2012	**2011**
	RM	**RM**
Deferred tax liabilities	1,809,201	1,111,321

22. DEFERRED TAX LIABILITIES *cont'd*

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

	The Group	
	2012	**2011**
	RM	**RM**
Deferred tax assets (before offsetting):		
Temporary differences arising from:		
Trade receivables	298,000	287,000
Provision for retirement benefits	17,370	38,000
Unabsorbed capital allowance	33,000	-
	348,370	325,000
Offsetting	(348,370)	(325,000)
Deferred tax assets (after offsetting)	-	-
Deferred tax liabilities (before offsetting):		
Temporary differences arising from:		
Property, plant and equipment	(2,026,571)	(1,302,321)
Revaluation reserve	(131,000)	(134,000)
	(2,157,571)	(1,436,321)
Offsetting	348,370	325,000
Deferred tax liabilities (after offsetting)	(1,809,201)	(1,111,321)

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 2012, the estimated amount of deductible temporary differences, unused tax losses and unabsorbed capital allowances pertaining to certain subsidiary companies, 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	
	2012	**2011**
	RM	**RM**
Unused tax losses	1,277,190	1,131,646
Unabsorbed capital allowances	216,533	46,742
	1,493,723	1,178,388

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

23. 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 (2011: 30 days).

The currency exposure profile of trade payables is as follows:

	The Group	
	2012	2011
	RM	RM
Ringgit Malaysia	2,535,884	2,170,313
Singapore Dollar	23,408	23,797
	2,559,292	2,194,110

Other payables and accrued expenses consist of:

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Accrued staff costs	4,429,507	3,214,252	-	-
Service tax payable	1,270,413	1,015,407	-	-
Accrued expenses	2,261,477	454,181	103,724	25,996
Other payables	2,507,066	1,859,389	-	87,641
	10,468,463	6,543,229	103,724	113,637

Included in accrued expenses of the Group is an amount of RM1,380,000 (2011:RMNil) representing accrued transportation costs.

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

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Ringgit Malaysia	10,240,815	6,409,596	103,274	113,637
Singapore Dollar	227,648	133,633	-	-
	10,468,463	6,543,229	103,274	113,637

Notes to the Financial Statements
cont'd

24. DIVIDENDS

	The Group and The Company	
	2012	2011
	RM	RM
In respect of financial year ended 30 June 2011: 12.5% single tier dividend	3,214,825	-
In respect of financial year ended 30 June 2010: 10% single tier dividend	-	2,571,860
	3,214,825	2,571,860

25. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Deposits with licensed banks	7,954,776	5,393,088	3,505,641	3,415,724
Cash and bank balances	4,371,271	6,875,947	40,629	142,216
	12,326,047	12,269,035	3,546,270	3,557,940
Less: Non cash and cash equivalents:				
Deposits pledged with licensed banks (Note 20)	(356,178)	(662,542)	-	(308,000)
	11,969,869	11,606,493	3,546,270	3,249,940

Deposits with licensed banks earn interest at rates ranging from 1.8% to 3.1% (2011: 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 (2011: 30 days).

Deposits with licensed banks of the Company amounting to RM300,000 (2011: RM300,000) is registered under the name of a subsidiary company which held the deposits in trust for the Company.

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

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Ringgit Malaysia	4,265,991	6,261,254	40,629	142,216
Singapore Dollar	105,280	614,693	-	-
	4,371,271	6,875,947	40,629	142,216

26. 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 during the financial year.

The capital structure of the Group consists of debt (as disclosed in Notes 19 and 20) and equity of the Group (as disclosed in Notes 17 and 18).

Gearing Ratio

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

	The Group	
	2012	2011
	RM	RM
Debt	28,125,965	29,166,116
Equity	52,225,416	46,730,124
Debt to equity ratio (%)	53.85	62.41

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

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		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Financial assets				
Loans and receivables:				
Cash and bank balances	4,371,271	6,875,947	40,629	142,216
Deposits with licensed banks	7,954,776	5,393,088	3,505,641	3,415,724
Trade and other receivables	29,270,592	25,561,253	-	-
Amount owing by subsidiary companies	-	-	9,766,364	10,833,324

26. FINANCIAL INSTRUMENTS *cont'd*

Categories of Financial Instruments: *cont'd*

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Financial liabilities				
Carried at amortised cost:				
Trade and other payables	13,027,755	8,737,339	103,724	113,637
Amount owing to directors	-	4,345	-	5
Hire-purchase payables	4,716,178	5,313,392	-	-
Borrowings (secured)	23,409,787	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.

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 longterm interest bearing assets as of 30 June 2012.

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 be RM140,630 (2011:RM119,203). This is mainly attributable to the Group's exposure to interest rates on borrowings.

26. FINANCIAL INSTRUMENTS *cont'd*

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	
	2012 RM	2011 RM
Singapore Dollar	29,251	16,619

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.

Notes to the Financial Statements
cont'd

26. FINANCIAL INSTRUMENTS *cont'd*

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.

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						
2012						
Financial liabilities						
Non-interest bearing:						
Trade and other payables		13,027,755	-	-	-	13,027,755
Interest bearing:						
Hire-purchase payables	6.72	2,779,238	1,778,781	489,404	-	5,047,423
Borrowings (secured)	5.05	7,763,396	1,263,396	3,790,188	16,740,099	29,557,079
		23,570,389	3,042,177	4,279,592	16,740,099	47,632,257

No maturity table has been disclosed for financial assets as all financial assets are current with maturities of less than 12 months.

26. FINANCIAL INSTRUMENTS *cont'd*

Liquidity Risk Management *cont'd*

Maturity profile of financial liabilities is as follows: *cont'd*

	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	2,619,056	1,946,121	1,213,289	-	5,778,466
Borrowings (secured)	3.64	7,885,449	1,263,396	3,790,188	18,003,495	30,942,528
		19,246,189	3,209,517	5,003,477	18,003,495	45,462,678

	Less than 1 year
	RM
The Company	
2012	
Financial liabilities	
Non-interest bearing:	
Other payables	103,724

No maturity table has been disclosed for financial assets as all financial assets are current with maturities of less than 12 months.

26. FINANCIAL INSTRUMENTS *cont'd*

Liquidity Risk Management *cont'd*

Maturity profile of financial liabilities is as follows: *cont'd*

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

Fair Values

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

	The Group			
	2012		2011	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Liabilities				
Term loan (Note 20)	16,909,787	16,714,547	17,230,671	17,230,671
Hire-purchase payables (Note 19)	4,716,178	4,542,506	5,313,392	5,059,389

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.

27. RENTAL COMMITMENTS

As of 30 June 2012, the Group has the following commitments in respect of rental of premises:

	Future minimum lease payments	
	The Group	
	2012	2011
	RM	RM
Within 1 year	2,291,146	1,992,273
Within 1 - 2 years	1,206,450	1,187,930
Within 2 - 5 years	559,150	515,450
	4,056,746	3,695,653

28. CAPITAL COMMITMENTS

As of 30 June 2012, the Group has the following capital commitments in respect of:

	The Group	
	2012	2011
	RM	RM
Approved and contracted for:		
Purchase of motor vehicles	1,122,795	1,230,232
Purchase of tools and equipment	-	1,518,050
	1,122,795	2,748,282

29. CONTINGENT LIABILITIES - UNSECURED

As of 30 June 2012, the Group and the Company have the following contingent liabilities:

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Corporate guarantee given to a bank for banking facilities granted to subsidiary companies	-	-	31,180,000	35,680,000
Corporate guarantee given to a supplier for credit facility granted to a subsidiary company	-	-	50,000	50,000
	-	-	31,230,000	35,730,000

Notes to the Financial Statements
cont'd

30. SUBSEQUENT EVENT

On 6 July 2012 and 30 August 2012, the Company announced the exercise of 4,131,820 and 50,000 Warrants into 4,131,820 and 50,000 ordinary shares of RM0.10 each at an exercise price of RM0.585 per ordinary share respectively. Accordingly, the issued and paid up ordinary share capital of the Company was increased from RM25,718,604 comprising 257,186,038 ordinary shares of RM0.10 each to RM26,136,786 comprising 261,367,858 ordinary shares of RM0.10 each.

The share premium amounting to RM2,028,183 arising from the exercise has been credited to the Share Premium account.

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

On 25 March 2011, 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 2011, 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 2012 into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Total retained earnings:				
Realised	21,191,400	15,188,312	7,691,825	6,662,430
Unrealised	(1,809,201)	(1,111,321)	-	-
	19,382,199	14,076,991	7,691,825	6,662,430
Add: Consolidation adjustments	6,214,750	5,978,659	-	-
Total retained earnings	25,596,949	20,055,650	7,691,825	6,662,430

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 has 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 BHD** 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 2012 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 31, 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 2012

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 BHD, 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, 2012.

Before me,

COMMISSIONER FOR OATHS

Analysis of Shareholdings
as at 2 October 2012

Authorised Share Capital	: RM50,000,000.00
Issued and Fully Paid-Up Capital	: RM26,136,785.80 comprising 261,367,858 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

ANALYSIS BY SHAREHOLDINGS

Size of holdings	No. of Holders	% of Holders	No. of Shares	% of Issued Capital
1 - 99	37	3.39	1,444	0.00
100 – 1,000	693	63.52	84,230	0.03
1,001 – 10,000	186	17.05	911,450	0.35
10,001 – 100,000	114	10.45	4,235,050	1.62
100,001 – 13,068,391 [1]	58	5.32	80,886,188	30.95
13,068,392 and above [2]	3	0.27	175,249,496	67.05
TOTAL	**1,091**	**100.00**	**261,367,858**	**100.00**

Notes:-

[1] *Less than 5% of issued shares*
[2] *5% and above of issued shares*

SUBSTANTIAL SHAREHOLDERS AS AT 2 OCTOBER 2012

	Direct Interest		Indirect Interest	
Name of Substantial Shareholder	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital
TEONG TECK LEAN	662,500	0.25	108,623,496 [1]	41.56
GD EXPRESS HOLDINGS (M) SDN BHD	81,711,496	31.26	-	-
SINGAPORE POST LIMITED	69,638,000	26.64	-	-
GD HOLDINGS INTERNATIONAL LIMITED	26,912,000	10.30	-	-
SINGAPORE TELECOMMUNICATIONS LIMITED	-	-	69,638,000 [2]	26.64
TEMASEK HOLDINGS (PRIVATE) LIMITED	-	-	69,638,000 [2]	26.64

Notes:-

[1] *Deemed interest by virtue of his and his spouse, Wang Herng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (81,711,496 ordinary shares) and GD Holdings International Limited (26,912,00 ordinary shares).*
[2] *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 2 October 2012
cont'd

DIRECTORS' SHAREHOLDINGS AS AT 2 OCTOBER 2012

Name of Director	Direct Interest No. of Shares	Direct Interest % of Issued Capital	Indirect Interest No. of Shares	Indirect Interest % of Issued Capital
DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	4,050,000	1.55	4,000,000 [a]	1.53
TEONG TECK LEAN	662,500	0.25	108,623,496 [b]	41.56
LEONG CHEE TONG	6,438,743	2.46	-	-
LIEW HENG HENG	250,000	0.10	-	-
DR. WOLFGANG BAIER	-	-	-	-
LIM CHENG SUNG @ LIM CHENG SANG	500,000	0.19	-	-
NOLEE ASHILIN BINTI MOHAMMED RADZI	-	-	-	-

Notes:-

[a] *Deemed interested 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, Datin Mardiana binti Mohamed Zain in the Company (2,000,000 ordinary shares)*

[b] *Deemed interested by virtue of his and his spouse, Wang Herng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (81,711,496 ordinary shares) and GD Holdings International Limited (26,912,000 ordinary shares) pursuant to Section 6(A)(4) of the Companies Act, 1965.*

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS

No.	Name of Shareholders/Depositors	No of Shares	%
1	GD EXPRESS HOLDINGS (M) SDN BHD	81,711,496	31.26
2	HDM NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR SINGAPORE POST LIMITED*	69,638,000	26.64
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EXEMPT AN FOR MERRILL LYNCH PIERCE FENNER & SMITH INCORPORATED (LOCAL RESIDENT)*	23,900,000	9.14
4	LAU WING TAT	9,537,500	3.65
5	DING AH DIEH @ DING PIK CING	7,997,550	3.06
6	LEONG CHEE TONG	6,438,743	2.46
7	AGNES CHAN WAI CHING	5,303,825	2.03
8	DING MEI SIANG	4,790,000	1.83
9	AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	4,050,000	1.55

Analysis of Shareholdings
as at 2 October 2012
cont'd

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS *cont'd*

No.	Name of Shareholders/Depositors	No of Shares	%
10	LOI SIEW HOONG	3,648,000	1.40
11	HDM NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR KONG HWAI MING*	3,097,450	1.19
12	GD HOLDINGS INTERNATIONAL LIMITED	3,012,000	1.15
13	CHIA PHAY CHENG	2,476,650	0.95
14	HDM NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR TAN PIAK HWEE ANTHONY*	2,318,525	0.89
15	OSK NOMINEES (TEMPATAN) SDN BERHAD *KWOK NGUK MOOI*	2,267,000	0.87
16	CHEN SONG WIE	2,105,000	0.81
17	MARDIANA BINTI MOHAMED ZAIN	2,000,000	0.77
18	TEE CHERN JYU	1,990,700	0.76
19	KWOK NGUK MOOI	1,756,600	0.67
20	KONG HWAI MING	1,250,000	0.48
21	ESSEM CAPITAL SDN BHD	1,200,000	0.46
22	HDM NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR LAU CHEN HONG*	1,090,000	0.42
23	CHAN MOON FOOK	1,087,500	0.42
24	MA YUK PING WINNIE	1,009,950	0.38
25	NIK MOHAMED DIN BIN NIK YUSOFF	950,000	0.36
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ESSEM CAPITAL SDN BHD (TMW)*	800,000	0.31
27	CHIN CHEE SUE	750,000	0.29
28	TEONG TECK LEAN	662,500	0.25
29	HDM NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR TANG TAI MOY*	657,000	0.25
30	CIMB COMMERCE TRUSTEE BERHAD *EXEMPT AN FOR EPF INVESTMENT FOR MEMBER SAVINGS SCHEME*	597,900	0.22
TOTAL		**248,093,889**	**94.92**

Analysis of Warrant Holdings
as at 2 October 2012

No. of warrants in issue	: 47,255,387 Warrants
Issue Date	: 8 February 2011
Expiry date	: 7 February 2016
Exercise price per warrant	: RM0.585

ANALYSIS OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Warrants	% of Issued Warrants
1 - 99	718	70.25	14,709	0.03
100 – 1,000	114	11.15	58,870	0.12
1,001 – 10,000	108	10.57	387,540	0.82
10,001 – 100,000	53	5.19	1,576,771	3.34
100,001 – 2,362,768 [1]	24	2.35	13,051,950	27.62
2,362,769 and above [2]	5	0.49	32,165,547	68.07
TOTAL	**1,022**	**100.00**	**47,255,387**	**100.00**

Notes:-

[1] *Less than 5% of issued warrants*
[2] *5% and above of issued warrants*

DIRECTORS' WARRANT HOLDINGS AS AT 2 OCTOBER 2012

	Direct Interest		Indirect Interest	
Name of Director	No. of Warrants	% of Issued Warrants	No. of Warrants	% of Issued Warrants
DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	200,000	0.42	-	-
TEONG TECK LEAN	7,500	0.02	24,600,299 [1]	52.06
LEONG CHEE TONG	3,257,748	6.89	-	-
LIEW HENG HENG	-	-	-	-
DR WOLFGANG BAIER	-	-	-	-
LIM CHENG SUNG @ LIM CHENG SANG	-	-	-	-
NOLEE ASHILIN BINTI MOHAMMED RADZI	-	-	-	-

Note:-

[1] *Deemed interest by virtue of his and his spouse, Wang Herng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (13,850,299 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 2 October 2012
cont'd

LIST OF TOP 30 WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrants	%
1	GD EXPRESS HOLDINGS (M) SDN BHD	13,850,299	29.31
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EXEMPT AN FOR MERRILL LYNCH PIERCE FENNER & SMITH INCORPORATED (LOCAL RESIDENT)*	6,780,000	14.35
3	LAU WING TAT	4,307,500	9.12
4	GD HOLDINGS INTERNATIONAL LIMITED	3,970,000	8.40
5	LEONG CHEE TONG	3,257,748	6.89
6	KWOK NGUK MOOI	1,963,800	4.16
7	HDM NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR KONG HWAI MING*	1,739,410	3.68
8	AGNES CHAN WAI CHING	1,287,305	2.72
9	KONG HWAI MING	1,250,000	2.65
10	DING MEI SIANG	1,158,000	2.45
11	OSK NOMINEES (TEMPATAN) SDN BERHAD *KWOK NGUK MOOI*	856,480	1.81
12	DING AH DIEH @ DING PIK CING	815,830	1.73
13	CHIA PHAY CHENG	512,230	1.08
14	HDM NOMINEES (ASING) SDN BHD *UOB KAY HIAN PTE LTD FOR LEOW GEOK HONG*	458,250	0.97
15	TEE CHERN JYU	443,800	0.94
16	HDM NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR LAU CHEN HONG*	411,240	0.87
17	HDM NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR TAN PIAK HWEE ANTHONY*	269,265	0.57
18	CHAN MOON FOOK	207,500	0.44
19	MA YUK PING WINNIE	201,990	0.43
20	AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	200,000	0.42
21	HDM NOMINEES (ASING) SDN BHD *LIM & TAN SECURITIES PTE LTD FOR NG HENG LEONG*	200,000	0.42
22	LAW SAY HUAT	184,400	0.39
23	HDM NOMINEES (ASING) SDN BHD *UOB KAY HIAN PTE LTD FOR SOONG SIEW LI*	168,275	0.36
24	CHIN CHEE SUE	150,000	0.32
25	HDM NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR TANG TAI MOY*	131,400	0.28

Analysis of Warrant Holdings
as at 2 October 2012
cont'd

LIST OF TOP 30 WARRANT HOLDERS *cont'd*

No.	Name of Warrant Holders	No. of Warrants	%
26	CHUA TEE TEE	123,800	0.26
27	CHAN KOK SING	110,200	0.23
28	DANG TAI LUK	105,650	0.22
29	FONG JUNG HOA	103,125	0.22
30	WANG HERNG DAR	98,250	0.21
TOTAL		**45,315,747**	**95.90**

Group Property Particulars

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

No.	Location of Property	Description/ Existing Use	Approximate Land Area (sq. ft.)	Tenure	Approximate Age of Building (years)	Net Book Value as at 30.6.2012 (RM)	Date of Revaluation
(1)	17, Jalan Tandang 46050 Petaling Jaya Selangor	Corporate Head Office	108,629	99 years lease expiring 1 February 2058	53 years	20,687,215	-
(2)	19, Jalan Tandang 46050 Petaling Jaya Selangor	Corporate Head Office and Distribution Hub	61,909	99 years lease expiring 13 August 2056	39 years	5,599,006	20 June 2008
(3)	21, Jalan Tandang 46050 Petaling Jaya Selangor	Vacant Land	29,757	99 years lease expiring 6 November 2057	-	2,580,003	30 June 2009

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Ninth 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 Thursday, 29 November 2012 at 2.00 p.m. to transact the following businesses:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2012 together with the Directors' and Auditors' Reports thereon. ***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 ordinary share of RM0.10 each in respect of the financial year ended 30 June 2012. ***Ordinary Resolution 1***

3. To approve the payment of Directors' Fees amounting to RM76,120 in respect of the financial year ended 30 June 2012. ***Ordinary Resolution 2***

4. To re-elect the Director, Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid who is retiring under Article 104 of the Articles of Association of the Company. ***Ordinary Resolution 3***

5. To re-elect the Director, Ms Liew Heng Heng who is retiring under Article 104 of the Articles of Association of the Company. ***Ordinary Resolution 4***

6. To re-elect the Director, Dr. Wolfgang Baier who is retiring under Article 91 of the Articles of Association of the Company. ***Ordinary Resolution 5***

7. To re-appoint the Director, Mr Lim Cheng Sung @ Lim Cheng Sang who is retiring under Section 129(6) of the Companies Act, 1965. ***Ordinary Resolution 6***

8. To re-appoint Messrs Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 7***

As Special Business

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

9. **Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares**

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and they are hereby authorised to issue shares in the Company at any time and from time to time until the conclusion of the next Annual General Meeting of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue." ***Ordinary Resolution 8***

10. **Proposed New Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

"THAT approval be and is hereby given to the Company and its subsidiaries ("Group") to enter into and give effect to the 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 of the Circular to Shareholders dated 6 November 2012, 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." ***Ordinary Resolution 9***

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.

Notice of Annual General Meeting
cont'd

DATE OF ENTITLEMENT AND PAYMENT OF FIRST AND FINAL DIVIDEND

NOTICE IS HEREBY GIVEN THAT subject to the approval of shareholders at the Ninth Annual General Meeting, a first and final single-tier dividend of 12.5% or 1.25 sen per ordinary share of RM0.10 each in respect of the financial year ended 30 June 2012 will be paid on 30 December 2012. The entitlement date for the said dividend shall be 14 December 2012.

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

a. Shares transferred to the Depositor's securities account before 4.00 p.m. on 14 December 2012 in respect of transfers; and

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

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
Company Secretaries

Selangor Darul Ehsan
Date: 6 November 2012

NOTES:

1. *A member [other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991] entitled to attend and vote at the Meeting is entitled to appoint a maximum of two (2) proxies to attend and vote on his (her) behalf. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.*

2. *Where a member appoints two (2) proxies, the appointment shall be invalid unless he (she) specifies the proportions of his (her) holdings to be represented by each proxy.*

3. *Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

4. *The Proxy Form shall be signed by the appointer or his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.*

5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited by hand at or by facsimile transmission to the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for the Meeting or any adjournment thereof.*

6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 23 November 2012 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend and/or vote on his (her) behalf.*

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 9 of the Agenda

The Company had, during its Eighth Annual General Meeting held on 7 December 2011, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Companies Act, 1965 ("the Act"). As at the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

Ordinary Resolution 8 proposed under item 9 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 132D of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purposes of funding investment project(s), working capital and/or acquisition.

3. Item 10 of the Agenda

The proposed adoption of the Ordinary Resolution 9 is a new Shareholders' Mandate which will enable 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.

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GD EXPRESS CARRIER BHD (630579-A)
(Incorporated in Malaysia)

FORM OF PROXY

Number of shares held	
CDS Account No.	

I/We, ______________________________ (Full Name in Block Letters),

NRIC No./Passport No./Company No. ______________) of ______________________

______________ (Address) being a member/members of GD Express Carrier Bhd hereby appoint

*Mr/Ms ______________________ (NRIC/Passport No. ______________)

of ______________________________ or failing whom

*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 Ninth 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 Thursday, 29 November 2012 at 2.00 p.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 summarised below, *my/our *proxy/proxies may vote or abstain from voting at his/her discretion.

NO.	RESOLUTIONS		FOR #	AGAINST#
1.	Approval of first and final single-tier dividend of 12.5% or 1.25 sen per ordinary share of RM0.10 each in respect of the financial year ended 30 June 2012	Ordinary Resolution 1		
2.	Approval of the Directors' Fees	Ordinary Resolution 2		
3.	Re-election of Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid as Director	Ordinary Resolution 3		
4.	Re-election of Ms Liew Heng Heng as Director	Ordinary Resolution 4		
5.	Re-election of Dr Wolfgang Baier as Director	Ordinary Resolution 5		
6.	Re-appointment of Mr Lim Cheng Sung @ Lim Cheng Sang as Director	Ordinary Resolution 6		
7.	Re-appointment of Auditors	Ordinary Resolution 7		
8.	Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares	Ordinary Resolution 8		
9.	Proposed Shareholders' Mandate	Ordinary Resolution 9		

Please indicate your vote "For" or "Against" with an "X" within the box provided.
* *Delete if not applicable*

____
Signature/Common Seal

Date : ______________
Contact No. : ______________

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

Fold This Flap For Sealing

Fold along this line (1)

Please Affix
Stamp

The Company Secretary
GD EXPRESS CARRIER BHD (630579-A)
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
MALAYSIA

Fold along this line (2)

NOTES:

1. *A member [other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991] entitled to attend and vote at the Meeting is entitled to appoint a maximum of two (2) proxies to attend and vote on his (her) behalf. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.*
2. *Where a member appoints two (2) proxies, the appointment shall be invalid unless he (she) specifies the proportions of his (her) holdings to be represented by each proxy.*
3. *Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *The Proxy Form shall be signed by the appointer or his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.*
5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited by hand at or by facsimile transmission to the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for the Meeting or any adjournment thereof.*
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Our Stations

HEADQUARTERS (PJ)
03-7787 2222

PENINSULA MALAYSIA

Alor Setar
04-734 9636

Bachok
09-753 2039

Batu Pahat
07-434 6033

Bahau
06-454 0295

Benta
09-323 9453

Banting
03-3180 1601

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

Jerantut
09-266 2708

Jerteh
09-697 8734

Johor Bahru
07-333 5578

Kampar
05-465 9448

Kajang
03-8737 0988

Kangar
013-256 6948

Kepong
03-6259 6220

Kemaman
09-858 3091

Klang
03-3341 1708

Kluang
07-774 3362

Kota Bharu
09-743 1800

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

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
06-954 2650

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

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

Triang
09-255 1968

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

Ranau
019-802 2788

SARAWAK

Batu Niah
085-737 789

Bau
082-763 164

Belaga
086-461 689

Betong
083-472 337

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

Tatau
013-570 9988

LABUAN

Labuan
087-425 880

SINGAPORE

Singapore
65-6396 5539