GD EXPRESS CARRIER BHD
(630579-A)

GD EXPRESS CARRIER BHD (630579-A) ANNUAL REPORT 2013

The Resilience of Bamboo

ANNUAL REPORT 2013

www.gdexpress.com

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The Resilience of Bamboo

The bamboo is one of the most amazing plants in the world that can propagate itself through its roots. With its long thin stems, the bamboo looks fragile, but it can withstand the most terrifying of storms, bending with the strongest winds, but never breaking because its complex underground root structure makes it very strong and stable.

GDEX is like the bamboo plant, continuing to expand and replicate its branches, outlets and distribution centres through a strong and modular operational system that includes people, processes, systems and infrastructure that is cost efficient till it can withstand the worst of economic and financial storms. It does not fight the strong winds of change but sways with it by making continuous adjustments that enable it to grow from strength to strength.

The Bamboo and GDEX.
Resilient, flexible and replicable.

Chairman's Statement

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

Dear Shareholders

I am pleased to present my ninth annual report to our fellow stakeholders for the financial year ended 30 June 2013. The global economy continued to be bogged down by the protracted Eurozone crisis, slowing growth in China's economy, and waning demand for commodities globally. The United States and Japan performed better due to aggressive quantitative easing. The Malaysian economy remained fairly stable, buoyed by the Government's transformation policies and strong investment flow into the oil and gas sector. Against this backdrop, our Group continue to grow in revenue and profits.

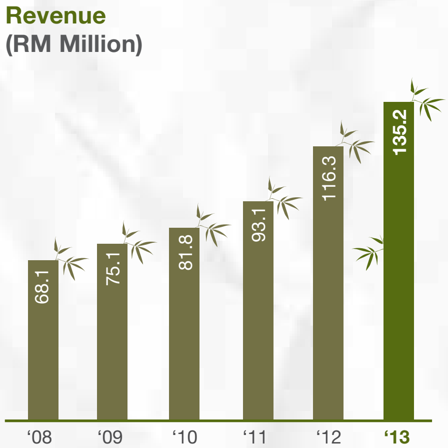
OUR PERFORMANCE IN 2013

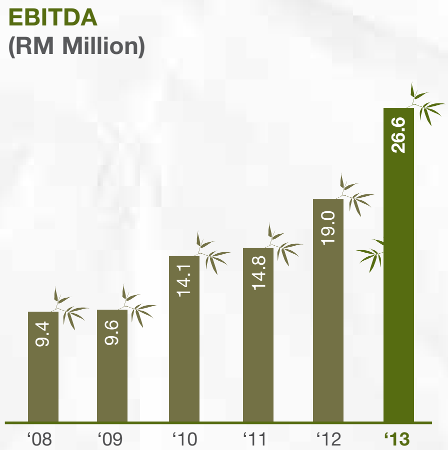
For the period under review, GDEX's group turnover increased by 16% to RM135.2 million from RM116.3 million. Group pre-tax profits increased 57% to RM19.3 million from RM12.2 million, while group profits after taxation showed a 56% rise to RM13.6 million from RM8.7 million previously.

Net earnings per share improved to 5.21 sen per share from 3.40 sen previously and diluted earnings per share amounted to 4.63 sen per share.

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 40% from RM19.0 million to RM26.6 million.

Chairman's Statement
cont'd





DIVIDEND PAYMENT

In view of the Group's development plan in the coming years, the board of directors have decided to declare a first and final dividend of 0.225 sen for every 10 sen share together with a reinvestment scheme. This scheme will allow the Group to pay out a higher ratio in earnings to the shareholders while giving the shareholders an option to reinvest into the Company. It will effectively reduce the Group cash outflow on dividend payment which can be utilised for the Group's development and expansion.

SIGNIFICANT DEVELOPMENTS

In October 2012, GD Express Sdn Bhd successfully integrated its Quality Management System (ISO 9001:2008) with the Environmental Management System (ISO 14001:2004).

In November 2012, GD Express Carrier Bhd (GDEX) carried out a corporate exercise to transfer its listing from the ACE Market to the Main Market. GDEX obtained approval from the regulatory authorities and was successfully transferred to the Main Market of Bursa Malaysia Securities Berhad on 5 August 2013.

CORPORATE SUSTAINABILITY

By taking into consideration the existing eco-system, the Group has integrated all its quality and environmental management systems to strengthen its business methodology. Hence, the Group has adopted ISO 14001:2004 which incorporates best environmental practices in its overall operations.

The Group has implemented the practice of the 3Rs, that is to Reuse, Recycle and Reduce whatever material it can, in its environmental footprint. The Group also follow a strict regime in scheduled wastes disposal.

CHALLENGES AND OPPORTUNITIES

Following the liberalisation of the domestic express carrier industry in 2012, the express delivery market has become highly competitive. Foreign regional players with ready funds and new technology have made significant inroads into the domestic courier market. We need to stay relevant, resilient and competitive by constantly improving on all aspects of our operations and service quality.

It will be a good opportunity to benchmark our service standards with these players before we aggressively expand to the region.

Chairman's Statement
cont'd

THE FUTURE

The global outlook continues to be challenging. While the risk of a slowdown has not subsided, the express delivery service (EDS) sector posts an opportunity for growth with the growing popularity of e-commerce. The ASEAN Economic Community (AEC) agreement to liberalise the free flow of goods and services within ASEAN will take off in 2015. We will now have the opportunity to tap into the market of 600 million people.

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 go to our customers, vendors, business associates and the various statutory and government bodies which have facilitated the Group in its operations.

My special thanks also goes to our shareholders for their patience and confidence in us.

I would also like to commend my fellow board members for having fulfilled their commitments and obligations admirably to the Board. I would also like to express my heartfelt thanks to Puan Nolee Ashilin binti Mohammed Radzi and Mr Leong Chee Tong who resigned as director, and chief executive officer and executive director respectively on 3 July 2013. At the same time, I would like to welcome Encik Adi Arman Bin Abu Osman 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


SAFETY
Lazada


The Hub

Heart of GDEX Operations

The all-weather hub is vital to GDEX express delivery operations. Every night, a steady stream of trucks would bring loads of customers' shipments from all over the country to be offloaded onto the conveyor system and sorted according to their destinations. The sorted items are then transferred to security cages and uploaded to the waiting trucks to be sent to their final destinations by the next morning.

Review of Operations by the Chief Executive Officer

Teong Teck Lean
Managing Director and
Group Chief Executive Officer

A STEADY GROWTH IN BUSINESS

Despite a rather uncertain global economic environment, GDEX has continued to grow its express delivery service business steadily during the period under review. For financial year end 30 June 2013, I am pleased to report that the Group registered a turnover of RM135.2 million compared to RM116.3 million, an increase of 16%. Group profit before tax also improved 57% to RM19.3 million from RM12.2 million while Group profit after tax increased by 56% to RM13.6 million from RM8.7 million a year ago. Amidst the era of quantitative easing and a generally pessimistic world economy, the results demonstrated continuous support from our customers and hard work by our dedicated staff.

Review of Operations by the Chief Executive Officer
cont'd

UPGRADES AND CAPEX

For the year under review, we upgraded the frontline couriers and equipped them with mobile devices for scanning shipments. This ensures vital customers' shipment information are captured at the point of pick-up and transmitted to HQ for verification and for more secured handling.

We have beefed up our manpower from 1,826 to 2,013 to ensure our service quality matches with the growth in operations. Our fleet size increased to 397 from 335 while our carrying tonnage increased to 807 tons from 684 tons.

Our network infrastructure has been enhanced further to 110 stations comprising 57 branches, 2 affiliates and 51 agents, from 103 stations a year ago. In total, RM9.01 million was spent on the upgrades and capital expenditure.

We continue to provide training to our people to enhance their skills and knowledge as part of our "continuous improvement" process. Due to the implementation of the Multimedia Remote Learning programme last year, we are no longer confined by time or geographical constraints in training our people. This has enabled our staff to undergo 31,453 hours of training compared to 25,468 hours in the previous year.

The continued investment in processes, infrastructure and manpower is deemed essential as we prepare for greater operational challenges and the move up to the next level of competition by providing cost efficient and high quality service.

CORPORATE SOCIAL RESPONSIBILITY

As our operation expands, so do our corporate social responsibilities - in the Marketplace, the Workplace, the Community and the Environment around us. We continue to place emphasis on these four key areas as they are vital to the corporate philosophy and sustainability of the Group as business becomes more inclusive and challenging in the coming years.

In the Marketplace, we continue to refine and develop our express delivery service products to meet the fast evolving expectations of the consumer. We have introduced various value added services to complement our express delivery service.

In the Workplace, apart from the implementation of various training programmes to the front liner, executive and management staff to enhance their skill set, the Group also organized safety activities like fire drills and defensive driving for the drivers. A recreation room with various indoor games and amenities was also built last year to enable employees to mingle and de-stress after a hard day's work.

Review of Operations by the Chief Executive Officer
cont'd

We continue to engage the Community through the GDEX Blood Donation Drive, now in its ninth year running. The blood donation drive netted a total of 307 pints of blood for the National Blood Bank.

GDEX scholarship programme helps deserving students to complete their college or university studies. GDEX Internship programme provides students with an opportunity to work with GDEX during their semester breaks. During the year, the Group provided a total of 5 scholarships and took in 38 interns.

On the environmental side, the Group has successfully incorporated the ISO 14001:2004 Environmental Management System with its ISO 9001:2008 Quality Management System. The integration of the two systems enables the Group to carry out environment friendly activities such as the 3Rs (Reuse, Recycle and Reduce) of its waste materials. It also provides a strict regime in scheduled wastes disposal.

The Group now requires all GDEX vehicles to switch off its engines to reduce carbon emissions and fuel waste which occur when the engines are left idling during the en-route delivery and pick-up of shipments.

GDEX FOUNDATION

The Group finalized the establishment of the GDEX Foundation during the year reviewed. Set-up to look after the welfare of the community, the Foundation received a total of RM3 million as capital to start the ball rolling. The Group also donated RM100,000.00 as the start-up fund.

UP THE BAR – RE-ORGANISATION

With the liberalization of the service sector, a few regional express carriers had entered the Malaysian market to compete aggressively for a share of the domestic express delivery market. What used to be a "sure thing" in the express industry is no longer a guarantee for survival today. We need to constantly evolve, improve our service quality and provide a wider range of service products to compete with the foreign players. Otherwise, we will be overwhelmed by their superior technology, high service standards, wide product range and huge capital outlay.

To prepare the people for a higher level of competition, the Group has embarked on a major management reshuffle. At the board level, the directors had re-designated me as Managing Director/Group CEO. Many of the departments have been reorganized to facilitate a more seamless connectivity with each other to improve speed in execution and cost efficiency. This exercise to streamline and strengthen the various departments will continue to be top priority for the coming years so as to enable us to develop more talents and defend our market position. It will also improve our ability to replicate ourselves in other markets at the same time.

Review of Operations by the Chief Executive Officer
cont'd

STRENGTHENING THE CULTURE

As the competition moves up another notch, the Group has to further strengthen the mindset of its people. The GDEX culture of continuous improvement has to be reinforced in all areas of operations. To ensure the KPIs of the company are properly set and targets met, internal competitions for higher performance will be encouraged. This would further put complacency in check.

CUSTOMERS

With the entrance of more regional express delivery players, the customers now have more choice of service providers. We need to develop more value added services and continue to look at ways to make us more customer-centric. We will be setting up more lodge-in centres for the convenience and accessibility to our customers.

CORPORATE EXERCISE

We had submitted the applications for transfer to the Main Market of Bursa Malaysia with the assistance of our merchant bank, and other advisors. The transfer and listing of GDEX shares on the Main Market was completed on 5 August 2013. This transfer not only enhanced the prestige and reputation of the Group, it also increased the confidence of our customers, suppliers, bankers, business partners, employees and shareholders.

The transfer to the Main Market also signifies the growth of our Group in the form of its scale of operations, as well as its profitability in meeting the profit track record requirements of the regulators. We hope the transfer to Main Market would also result in greater recognition and acceptance by investors, including institutional investors, to reflect our Group's current level of operations.

Review of Operations by the Chief Executive Officer
cont'd

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. In particular, I would like to express my appreciation to Leong Chee Tong, our former Chief Executive Officer, who has contributed immensely to the growth of the Group in the last 13 years of his tenure in GDEX. I would also like to thank our customers, vendors, business service partners and government agencies for their support.

I look forward to further progress and improvement in GDEX. I am confident that we will move closer to our goal of becoming the leading express carrier in Malaysia and the region if we continue to work hard and keep our focus to win customer support.

Thank you.

TEONG TECK LEAN
Managing Director and Group Chief Executive Officer

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.

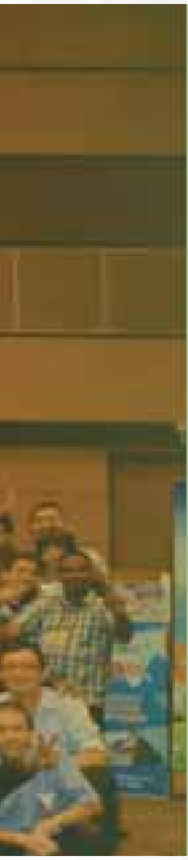
Quality Policy

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.


HUB DAILY REPORTS
1. SDN REPORT (Service Discrepancy Report)
2. Billing CN late Handover Report
3. Billing Discrepancy Report
4. Daily Reconciliation Report
5. Late Pick Report
6. RS Components Report
7. Element 14 (Farnell) Report
8. Daily EMS Report
9. Fedex Audit Report
10. Weight Discrepancy Report
11. International Volume Report
12. Duty Tax Report
13. Dangerous Goods Non-Declaration Report


Annual Network Conference
2013
6th & 7th July 2013
(DAY 1)



Training and Teambuilding

GDEX's culture of "continuous improvement" ensures that employees work skills are constantly being improved and upgraded through a comprehensive training programme, while a yearly three-day teambuilding course brings executives from different departments at Headquarters and branches to participate in various teambuilding activities that improve team dynamics, build trust, facilitate communications and strengthen the bonds of friendship and cooperation among the participants.

standing from left to right

Dr. Wolfgang Baier

Teong Teck Lean
(Managing Director/Group Chief Executive Officer)

Wong Eng Su

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

Lim Cheng Sung @ Lim Cheng Sang

Liew Heng Heng

Adi Arman Bin Abu Osman

Directors' Profile

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Independent Non-Executive Chairman
Malaysian aged 64

Dato' Capt. Ahmad Sufian was appointed to the Board on 8 February 2005. He is currently a member of the Combined Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee. He is also the Independent Non-Executive Chairman of WCT Berhad, Alam Maritim Resources Berhad and Malaysian Bulk Carriers Berhad and an Independent Director of PPB Group Berhad. He is a qualified Master Mariner with a Master Foreign-Going Certificate of Competency from the United Kingdom in 1975 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' Capt. Ahmad Sufian is a Fellow of the Chartered Institute of Logistics and Transport and the Malaysian Maritime Institute. He has over 40 years of experience in the international maritime industry.

Teong Teck Lean
Managing Director/Group Chief Executive Officer
Malaysian aged 53

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 in 1983. 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 and the skills pertinent to managing a service centric business. In year 2000, he acquired a controlling stake in GD Express Sdn Bhd. He was instrumental in turning around the Group by putting in place corporate policies and best practices which cumulated in the listing of GDEX on the MESDAQ Market (currently known as ACE Market) on Bursa Securities in 2005. Currently, Mr Teong is responsible for business development, setting strategic direction and the overall management of the Group as well as overseeing operations of the entire organisation.

Directors' Profile
cont'd

Dr. Wolfgang Baier
Non-Independent Non-Executive Director
Austrian aged 39

Dr. Wolfgang was appointed to the Board on 12 September 2012. He holds a PhD in Law with distinction from the University of Vienna in 2000 as well as two Master Degrees: A Master Degree in Law from the University of Vienna (Austria) in 1999 and a Master Degree in Business Economics from the Universities of Exeter (UK) and Graz (Austria) in 2000. Dr. Wolfgang joined Singpost as Chief Executive Officer (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 Chief Executive Officer in October 2011. Prior to his appointment with Singpost, Dr. Wolfgang was attached to McKinsey & Company in Europe and Asia for 10 years. He joined McKinsey Austria as an Associate in March 2001. From October 2004 to January 2011, Dr. Wolfgang was attached with McKinsey Singapore, leading the postal and logistics practice as well as operations activities in South East Asia. In 2008, he became a partner of McKinsey Singapore.

Liew Heng Heng
Independent Non-Executive Director
Malaysian aged 56

Ms Liew was appointed to the Board on 8 February 2005. She is currently the chairperson of the Audit and Risk Management Committee and a member of the Combined Nomination and Remuneration Committee. She graduated from Systematic Institute Kuala Lumpur in 1993 and holds a certificate from the Chartered Institute of Management Accountants in 1993. She started her career as an Accounts Assistant with the New Straits Times Berhad in 1981. She then joined 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 assuming the role of a Senior Finance and Administration Manager in Bison Stores Sdn Bhd where she is currently based. In 2012, she was redesignated as Senior Manager, Business Analyst. At present, she is a member of Malaysia Institute of Accountants (MIA) since 1994.

Directors' Profile
cont'd

Lim Cheng Sung @ Lim Cheng Sang
Independent Non-Executive Director
Malaysian aged 77

Mr Lim was appointed to the Board on 7 December 2011. He is currently the chairman of Combined Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee. He holds a BSc (Hons) Degree in Organic Chemistry from the University of Adelaide, South Australia in 1964. He started his career as Sales Executive with the British Multinational ICI (Malaysia) in Kuala Lumpur in 1964 and later in Singapore in 1965. In 1985, he was promoted to General Manager and Executive Director of ICI Paints Malaysia Sdn Bhd ("ICI") and was later re-designated to Managing Director. He retired from ICI in 1991 and joined DSU Group of Companies as its Chief Executive Officer and successfully turnaround the underperforming DSU Group. 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.

Adi Arman Bin Abu Osman
Independent Non-Executive Director
Malaysian aged 39

Encik Adi was appointed to the Board on 3 July 2013. He is currently a member of the Audit and Risk Management Committee. He graduated in 1997 with a BSc (Economics) degree with Honours in Accounting and Finance from London School of Economics and Political Science (LSE). Encik Adi has a wide range of experience in private equity investment. He was attached to BIMB Venture Capital Sdn Bhd in Malaysia in 2001, and later at Private Equity Division of Malaysia's Employees Provident Fund in 2005 and CMS Opus Private Equity Sdn Bhd in 2006. He is currently an Executive Director at Benua Ekuiti Sdn Bhd.

Wong Eng Su
Executive Director/Chief Operating Officer
Malaysian aged 42

Mr Wong was appointed to the Board on 27 August 2013. He graduated in 1997 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 GDEX in 2000 as Sales Executive and subsequently as Internal Control Audit and Coordination Executive. In 2003, he was promoted as Head of Sales Department. In 2008, he was promoted as 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 as Chief Operating Officer cum General Manager, Business Group. He is responsible for the overall business operations of the Group.

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.

Standing from left to right
Sundelasagran a/l Suppiah, Kwok Nguk Mooi, Marmizahsalwa Ahmad Tarmizi, Cheng Kee Leong, Chan Lai Wah, Tung Sook Wah, Wong Eng Su, Thoo Sin Khew

Senior Management Profile

Tung Sook Wah
Chief Financial Officer
aged 47

Ms Tung holds a Diploma in Accountancy from London Chamber of Commerce and Industry and completed her Association of Chartered Certified Accountants (ACCA) 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) since 1997, 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 joined 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 GDEX 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 the strategic planning of the Group. In 2010, she was promoted as Deputy Chief Executive Officer cum Chief Financial Officer and assumed her current position in 2013.

Chan Lai Wah
General Manager, Corporate Group
aged 55

Ms Chan holds a Diploma in Private Secretaryship from the Bedford Secretarial College in 1990. She started her career as an Administrative Officer with the Town Planning Unit of the District Council of Johore in 1979 and joined 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 as Manager, Corporate Development. In 2005, she was further promoted as Deputy Head of HQ Division cum Corporate Development Manager, assisting the Chief Executive Officer's Office in overseeing all functional departments in the Group. In 2008, she was promoted as 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 as General Manager, Corporate Group. She oversees the corporate secretarial work relating to regulatory and statutory matters. She also handles public relations and administrative duties of the Group.

Senior Management Profile
cont'd

Cheng Kee Leong
Head of Fleet Division
aged 58

Mr Cheng obtained a Diploma in Automobile Engineering from Sagawa Automobile Institute, Japan in 1985. He started his career as Technical Adviser in United Sagawa Sdn Bhd in 1986. Between 1997 to 2002, he joined Nationwide Express Sdn Bhd and MBJ Coloaders Sdn Bhd and assumed various management positions including senior manager, transport and operations. Mr Cheng joined GDEX in February 2002 and assumed the responsibilities to set up, plan and implement proper control measures for vehicle operations.

Kwok Nguk Mooi
Head of Quality Assurance, Risk Management and Measurement Group
aged 39

Ms Kwok has an International Higher Diploma in Computer Studies from Informatics College in 1997. She started her career as EDP Officer with Swiss-Garden Resort Damai Laut in 1997. Ms Kwok joined GDEX in 2001 as Senior Finance Executive and was promoted 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 and procedures. On 5 March 2011, she received certification from American Society for Quality (ASQ) as Manager of Quality/Organizational Excellence.

Sundelasagran a/l Suppiah
Head of Transshipment Hub Division
aged 53

Mr Sundelasagran has a Diploma in Business Management from Tafe College in 1977. He started his career as Quality Controller with JG Containers Sdn Bhd in 1977. In 1984, he joined Furukawa Electric Cable Sdn Bhd also as Quality Controller. In 1986, he joined Nationwide Express Courier Services Sdn Bhd as Operations Executive. Mr Sundelasagran joined GDEX 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.

Senior Management Profile
cont'd

Marmizahsalwa Ahmad Tarmizi
Acting Head, Country Operations
aged 32

Cik Marmizahsalwa graduated with a Vice-Chancellor Award in Bachelor of Business Administration (International Business) First Class, from University Technology MARA in 2005. She was among the first batch of students selected under the GDEX scholarship programme. Upon her graduation in 2005, she joined GDEX as an executive in the Corporate Planning and Development Department. She was promoted as Head of Customer Service in 2007. In 2008, she was promoted as Head of Domestic, Public Relations and Communications. In 2011, she was given additional responsibility as a manager for Corporate Planning and Development. In 2012, she was promoted as Head of Corporate Planning and Development. In August 2013, she was appointed Acting Head, Country Operations in charge of planning and coordination of courier operations for Malaysia and Singapore.

Thoo Sin Khew
Head of Sales
aged 48

Mr Thoo graduated with a Bachelor of Science (Statistics-Chemistry) from the Campbell University of North Carolina, USA. He joined the Sime Darby Group - Malaysian Region as Management Trainee and upon completion of the 1-year training was attached to its subsidiary company, Simelnax as Assistant Marketing & Sales Manager cum Business Development for 6 years. He later joined the UMW Group as OEM Sales Manager for a total period of 16 years before moving on to join GD Express in 2010 as the Head of Sales Department. He is responsible for the full compliance of sales policies and achieving the sales and collection targets of the Group.

Wong Eng Su
Executive Director/Chief Operating Officer
aged 42

(Please see Directors' Profile at page 19.)


GDEX
Delivery Service YOU TRUST

Corporate Sustainability Report 2013

MESSAGE FROM THE MANAGING DIRECTOR/GROUP CEO

Welcome to GDEX maiden Sustainability Report 2013. This report highlights the way GDEX leverages its express carrier business to build economic connectivity for its customers, to improve the living standards of its workers, and to contribute to the well-being of the community and the environment.

These are the value propositions that GDEX has identified and hope to enhance them continuously to benefit both the Group and the communities where we operate - values that are based on mutual respect for one another and the principles of accountability, transparency and integrity. Through these values, GDEX hopes to create a future that is sustainable and beneficial to all concerned.

While this may be GDEX's first ever sustainability report, the Group has been practising corporate sustainability ever since its restructuring in 2000. We realized that we need to engage our stakeholders, customers and suppliers, employees as well as the community, and also take into consideration the conservation of the environment, in our activities.

As GDEX's express carrier business grows in size over the years, the need to emphasise corporate sustainability becomes all the more important. This is because the Group's operations are inter-connected with the entire eco-system. How we carry out our activities, thus, determines our future and prospects.

It is GDEX's belief that no man or company is an island. Business today is all-inclusive as it touches every aspect of the human life. It is based on this principle that GDEX corporate sustainability programme evolves around four pillars – the marketplace, the workplace, the community and the environment.

For GDEX, sustainability is about integrating responsibility with all the eco-system components and aligning it with business strategy. Through this, GDEX hopes to create a better world by providing the access and connectivity through its express carrier services in a sustainable manner.

Thank you.

TEONG TECK LEAN
Managing Director and Group Chief Executive Officer

Corporate Sustainability Report
cont'd

The following is a table that shows GDEX's engagement with the various stakeholders as it pursues its corporate sustainability programme.

STAKEHOLDERS ENGAGEMENT

STAKEHOLDER	KEY ENGAGEMENT AREA	METHOD OF ENGAGEMENT
MARKET PLACE		
Shareholder & Investor	* Responsible Business * Corporate Governance * Dividends	* Annual Report * Quarterly Financial Results announcements * Annual General Meeting * Investor Relations website
Government & Regulator	* Licensing * Courier Industry Development Plan * Courier Industry Rules & Regulations	* Seminar/Conference
Customer	* Service Satisfaction * Innovative Offerings * Security Protection	* Customer Care Centre * Value Added Services * Enhanced Liability Coverage
Suppliers, Vendors & Business Partners	* Supplier Evaluation * Integrators Service * Agents & Contractors	* Compliance with ISO Standards * Yearly Supplier Evaluation * Agent Workshop * Co-load for domestic and international delivery

Corporate Sustainability Report
cont'd

STAKEHOLDERS ENGAGEMENT cont'd

STAKEHOLDER	KEY ENGAGEMENT AREA	METHOD OF ENGAGEMENT
WORK PLACE		
Employee	* Workplace * Human Capital Development * Health & Wellness * Safety & Security	* Quarterly Newsletter * Weekly Operational Briefings * Training * Teambuilding Activities * Operational Health & Safety Committee * Corporate Events * Staff Welfare & Recreation Club * Staff Assistance Scheme (staff and distress loans, School Pocket Money, Bursary) * Defensive Driving * Fire Drills * Reading Lab & Indoor Recreation Facility * Hostel & Accommodation Facility * Shuttle Bus
COMMUNITY		
	* CSR Involvement * Education * Community Support & Development	* Internship Programme * Scholarships * Annual Blood Donation Drive & Others (eg. Donations to Orphanage, Orang Asli Community, United Nation World Food and Humanitarian Relief Programmes)
	* GDEX Foundation	* Established for the welfare of the poor, needy, under privileged, for medical aid, hospitals, clinics, for educational aid, bursaries and loans, and for protection of the environment
ENVIRONMENT		
	* ISO Certifications * Scheduled Waste Disposal * 3R Initiatives (Reduce, Reuse, Recycle) * CO2 Emission	* ISO 9001:2008 (Quality Management System) * ISO 14001:2004 (Environmental Management System)

Corporate Sustainability Report
cont'd

GDEX'S DRIVE FOR A SUSTAINABLE FUTURE

In the coming decades, the world will continue to face complex challenges related to a growing population, which population studies say will reach some 8.7 billion by 2040. Technology will increase the pace of economic change, trade and commerce. The world economy is also expected to double in size by 2040, bringing with it enormous social and environmental changes.

There is no doubt that the world is going to face various complexities in business, society and the environment. But given the creativity and drive of the human spirit, the world will strive to create a sustainable future for all.

As a responsible corporate citizen, it is GDEX's duty to play a role in helping to create this sustainable future for the future generations. In this respect, GDEX has identified four areas where it will strive to improve, that is, the Marketplace, the Workplace, the Community and the Environment.

The Marketplace

The Marketplace is where we do business, raise funds and work with the authorities. GDEX focuses on four areas to ensure its business sustainability. These four areas are as follows:

- Customers
- Suppliers, vendors and business partners
- Government and Regulator
- Shareholders and Investors

Customer

The customer is always top in our list of priorities. GDEX constantly strives to improve service quality by offering innovative product packages and ensuring timely and secured delivery to meet customer needs and satisfaction.

Apart from providing reliable door-to-door delivery service of documents and/or parcels, it also provides express services of special items such as time-sensitive and high value goods. Its specialised products include Next-day Delivery Service, Secured Shipment Delivery Service, Enhanced Liability Coverage, and many other value added services.

For customers requiring comprehensive logistical and warehousing services, GDEX has its Customised Logistics Solutions where its services include security handling for high value items, managing mailroom operations and handling logistics and distribution arrangements.

In recent years, it has also set up a new division – freight forwarding and warehousing – as part of its integrated logistical solutions to meet the evolving needs and requirements of its customers.

Suppliers, Vendors & Business Partners

Our suppliers, vendors and business partners play a vital role in our business operations. GDEX has strict criteria in the selection and evaluation of its suppliers, vendors, agents and contractors, ensuring they meet and comply

Corporate Sustainability Report
cont'd

with ISO Certification quality standards. We also conduct a yearly supplier evaluation exercise to ensure suppliers keep up with the higher standards set.

GDEX also work closely with its business partners, namely the integrators who co-load with us for domestic and international delivery by integrating our operating systems and processes to meet their requirements.

Government and Regulator

One of the more important development agenda of the Government is to regulate the industry for growth in a sustainable manner. The development and licensing of the express carrier industry is undertaken by its regulator, Malaysian Communications and Multimedia Commission (MCMC), a unit of the Ministry of Information, Communications and Culture, Malaysia (MICCM).

In recent years, MCMC has drafted a Courier Industry Development Plan which charts the courier industry's development and growth in line with the National Postal Strategy. As one of the key players in the express carrier industry, GDEX regularly attends the briefings, seminars and conferences organized by MCMC. It also provides regular feedback and suggestions to MCMC regarding the development of the express carrier industry.

GDEX also participates actively in MCMC's activities to promote the development of the industry. GDEX was one of the 14 courier companies that participated in Promoting 1Malaysia Concept through Courier Industry campaign organised by MICCM, MCMC and the Association of Malaysian Express Carriers in 2010.

Shareholder and Investor

GDEX's shareholders are the ultimate owners of GDEX and its group of companies. It is of utmost importance that GDEX is managed in a responsible and profitable manner, with the required corporate governance and cost controls in place. GDEX will ensure there is continued and sustainable growth, with consistent dividends payment to reward shareholders and attract potential investors.

To keep shareholders and potential investors informed and up-to-date with developments in GDEX, the company has created an investor relations website which highlights its financial performance and other important corporate announcements. As part of the Bursa Malaysia requirements, it is also required to furnish quarterly financial results as well as an Annual Report to be tabled at its Annual General Meeting for shareholders approval.

Workplace

The workplace is where GDEX develops its human capital. It is a place where it nurtures and grooms its employees to enable them to handle their job responsibilities in an effective and efficient manner. GDEX also strives to ensure that its trained manpower stay safe, happy, committed and motivated through the following programmes and activities:

- Training
- Teambuilding
- Health and Wellness
- Safety and Security
- Recreational Facilities
- Attractive Fringe Benefits and Pay Packages

Training

GDEX provides regular and structured training to all levels of staff, from incoming recruits to its service front line staff, couriers, drivers, supervisors right up to middle and senior executives. It has a Pembangunan Sumber Manusia Berhad (PSMB) certified trainer who plans rigorous training programmes that enhance the professional as well as personal skills and knowledge of its various employees.

Corporate Sustainability Report
cont'd

To speed up and facilitate training for employees in different parts of the country, GDEX has launched its Multimedia Remote Learning programme (MMRL) in 2011. This programme stretches its training reach to remote locations beyond geographical and time constraints, enabling GDEX staff to undergo some 30,000 hours of training compared to an average of 20,000 hours previously.

Teambuilding

Members from different departments at Headquarters and branches in the GDEX group of companies come together for a three-day team building camp. Through various team building games and activities, the participants establish trust and build shared experience with their group members. This type of training improves team dynamics, builds group trust, facilitates good communications and strengthens the bonds of friendship and cooperation. Every year, GDEX organise this team-building event to strengthen staff unity, workplace confidence and creative thinking.

Health and Wellness

GDEX has an operational Health and Safety Committee that looks into the health and safety aspects of its employees. This committee monitors the ongoing development in the Malaysian healthcare scene and ensures GDEX employees are safe from epidemics such as bird flu and SARS virus, and environmental hazards like the haze and flood. This committee also organises workplace safety programmes such as Fire-Drills, Bomba Training, Emergency Evacuation Exercises and Defensive Driving Courses (for the company drivers).

Safety and Security

GDEX is committed to maintaining a workplace that is free from theft, violence, harassment, intimidation and other unsafe or disruptive conditions due to internal and external threats. Security cameras are placed strategically in different parts of the premises to deter such illegal and disruptive forces. It also employs external security company to provide 24-hour security services for the entire GDEX building complex.

Recreational Activities

All work and no play makes Jack a dull boy. As a labour-intensive organisation, GDEX ensures that its employees do not become overly stressed by their workloads. To create a more conducive work environment for its staff, three-quarters of whom are involved in operations that require a great deal of physical activity that are time-sensitive and urgent, GDEX organises weekly and monthly activities such as team bowling and futsal for its employees to de-stress. It also set up leisure facilities such as a Reading Lab where staff can relax and read books and magazines in a cool and quiet environment, as well as an indoor recreational centre called "Cube" where staff can socialize and de-stress with board and multi-media games and other indoor activities.

Through its staff welfare and recreational Club, GDEX also organises an annual dinner for its employees. This annual event provides GDEX an opportunity to thank its employees for their hard work, reward long-serving employees and allow everybody to enjoy good food and entertainment.

Corporate Sustainability Report
cont'd

Staff Assistance Scheme

As the majority of GDEX employees are blue-collared and on lower salary structure, GDEX often encounters situations where its staff is in financial distress due to family illness, misfortune and educational needs of their children. As a caring employer, GDEX created a special staff Assistance Scheme where "distressed" employees can apply for advances to help tide them over their financial setback.

Attractive Fringe Benefits and Pay Packages

As a fast-growing express carrier with a need to increase its workforce constantly, GDEX has designed an attractive salary structure and good employment benefits for its employees. The company subscribes to a performance based work philosophy. Thus, workers who handle higher workloads based on the growing business, like the couriers, the sorters, drivers and front line staff, are paid extra "incentive allowances" for the additional workload.

GDEX also ensures that its couriers and truck drivers are covered with insurance to ensure that they are well-compensated for any accidents or injuries incurred in the course of work.

For staff who work late, the company provides Shuttle Bus service to ease their transportation problems as well as to ensure their safety. It also provides hostel accommodations to outstation recruits.

Community

The community is the lifeblood of all organisations. As a responsible corporate citizen, GDEX believes in giving something back to the community that has contributed to its growth. GDEX's corporate social responsibility (CSR) programmes developed since 2000 include the following:

- Giving Back to Society Charity Events
- Annual Blood Donation campaign
- Scholarship and Internship programme
- GDEX Foundation

Giving Back to Society Charity Events

Every year, GDEX identifies and selects a list of social welfare and humanitarian relief organizations, orphanages and Orang Asli community that are in need of financial assistance. Its CSR team will then visit the organizations to donate much needed relief items, cash, food and other essential needs. The CSR team has an affinity towards children in the orphanages and Orang Asli community, and will make special efforts to organise luncheons and donate educational materials.

The CSR events include the Rumah Anak Yatim Baitul Kasih Orphanage, the Orang Asli Lembah Bertam, Cameron Highlands, the United Nations World Food and Humanitarian Relief, and Tsunami Relief Fund.

Annual Blood Donation Campaign

This annual blood donation campaign, started in 2005, is organized on a community level, involving the public as well as GDEX employees. Apart from internal memos to encourage staff to participate, GDEX puts up posters and banners in the vicinity of its headquarters inviting the public and neighbouring companies to donate blood to the National Blood Bank. To encourage donors, GDEX provides a nutritious meal and goodie bags for every participant. An average of 250 pints of blood is collected yearly for the National Blood Bank.

Corporate Sustainability Report
cont'd

Scholarship and Internship Programme

GDEX's scholarship programme aims to provide deserving students with financial assistance in their studies with higher institutions of learning. An average of four students will be selected from around 60 applicants each year to receive GD Express scholarship. Final year students for Degree Programme will receive a total of RM12,000 while Diploma Programme students will receive RM8,000 each.

GDEX's internship programme provides opportunity for some 30 undergraduates from public and private higher learning institutions to go through industrial training in GDEX. Introduced in 2004, this programme requires internship students to complete three to six months training in various departments in GDEX, giving them valuable industrial knowledge and work experience.

GDEX Foundation

As part of its efforts to engage the community in more social welfare and communal activities, GDEX established the GDEX Foundation in 2013. Set up with a personal donation of RM3 million from its managing director and group chief executive officer and another RM100,000 from the Group, the Foundation will focus on four charitable objects as follows;

- To provide relief to the poor, aged, sick, old, disabled, orphans and victims of violence and abuse generally and in particular but not limited to providing maintenance and improvement of old folks homes, orphanages, hospitals, hospice, nursing homes, clinics and disability centres
- To provide education generally and in particular but not limited to providing scholarships, bursaries and loans to enable the orphans and the poor to further their education
- To provide relief of financial needs, such as provision of financial, goods and services assistance, provision of temporary residential accommodation, to the poor, sick, victims of natural disasters, wars and riots and to the needy in general
- To protect the environment for the benefit of the public in general by providing financial assistance, goods and services and maintenance and preservation of public lands and buildings, of ecological or other scientific importance

The Environment

Environmental degradation is on the rise today with the growing world population and the indiscriminate use of technology to enhance profits. Protection of the environment thus become all the more important if the world is to sustain its eco-system for the benefit of future generations.

GDEX is ever conscious of the need to protect the environment and has taken measures to reduce its environment and ecological footprint wherever possible. The measures taken include the following:

- Introduction of ISO Certifications
- Reduce, Reuse, Recycle – 3R Initiatives
- Reduction of Carbon Emission

Corporate Sustainability Report
cont'd

Introduction of ISO Certifications

In 2012, GDEX integrated its ISO 9001:2008 quality management system and ISO 14001:2004 environmental management system. This integration provides a guideline/framework for GDEX to systematise and improve both its quality and environment management efforts in all its operations. Energy saving efforts like switching off lights and air-conditions during lunch-breaks and a scheduled waste disposal programme are among the items to save cost and protect the environment.

Reduce, Reuse and Recycle – 3R Initiatives

GDEX embraced the 3R (reduce, reuse and recycle) initiatives in early 2000. Today every unit, department, branch and headquarters actively strive to cut down on paper usage by making use of the company intranet system to send memos or messages. Employees also reuse and recycle used paper to save costs.

Reduction of Carbon Emission

With more than 400 vehicles and trucks plying the length and breadth of Peninsular Malaysia and East Malaysia, it is important for GDEX to reduce the carbon emission of its vehicles. When making their rounds of delivery, GDEX drivers are required to switch off their engines to stop idling, reduce fuel waste and carbon emission as part of the company's efforts to save energy cost and protect the environment.

Conclusion

As part of its culture of "continuous improvement," GDEX will always be looking at ways and means to conserve energy and protect the environment. This is to ensure that future generations will be able to enjoy a better world.

Corporate Information

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
Tan Ai Ning (MAICSA 7015852)

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Fax : 03-7720 1111

CORPORATE HEAD OFFICE

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Fax : 03-7787 6686

SHARE REGISTRAR

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AUDITORS

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Chartered Accountants
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ADVOCATES & SOLICITORS

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50450 Kuala Lumpur
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Fax : 03-2161 1816

PRINCIPAL BANKER

Malayan Banking Berhad (3813-K)

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

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

Corporate Governance Statement

The Board of Directors ("the Board") of GD Express Carrier Bhd ("GDEX" or "the Company") is committed to the principles and the recommendations of corporate governance as set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012"), in order to maintain high standard of corporate governance as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and financial performance of the Group, with corporate accountability, transparency and integrity.

This statement sets out the manner in which the Group has applied the principles and recommendations of MCCG 2012 and the Board will continue to implement measures to improve compliance with principles and recommended best practices in the ensuing years.

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear Functions of the Board and Management

The Board is responsible for oversight of the Group. Key matters reserved for the Board's approval include the following:

- Approval of financial results
- Dividend policy
- Issuance of new securities
- Annual business plan and financial budget
- Acquisition or disposal of material fixed assets
- Investment and divestment

There is clear division of responsibilities between Chairman and Managing Director/Group Chief Executive Officer to ensure that there is a balance of power and authority. The Chairman has the responsibility to ensure the Board's effectiveness and conduct while the MD/Group CEO is entrusted by the Board on the daily running of the business and implementation of the Board's policies and decisions.

To ensure the effective discharge of its function and responsibilities, the Board delegates some of its authorities and discretion to the Executive Directors, representing the Management, as well as to the properly constituted Board Committees. The Board Members, in carrying out their duties and responsibilities, are firmly committed to ensuring that high standards of corporate governance and corporate conduct are adhered to, so that the Group achieves strong financial performance for each financial year, and more importantly delivers long-term and sustainable value to stakeholders.

The Board Committees are entrusted with specific responsibilities to oversee the Company's affairs, in accordance with their respective Terms of References. At each Board meeting, minutes of the Board Committee meetings are presented to the Board. The respective Chairperson of the Board Committees will also report to the Board on key issues deliberated by the Board Committees.

Corporate Governance Statement
cont'd

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES *cont'd*

Clear Roles and Responsibilities

The Board provides stewardship to the Group's strategic direction and operations, and ultimately the enhancement of long-term shareholders' value. The Board is primarily responsible for:

1) Understanding shareholders' expectations and contribute to the development of strategies in the best interest of the Company and enhance shareholders' value;

2) Conscious balance of other stakeholders' interest, where appropriate, in line with Government policies and regulations;

3) Ensuring that the statutory accounts of the Company are fairly stated and conform with the relevant regulations including acceptable accounting policies;

4) Adopting performance measures to monitor implementation and performance of the strategy, policies, plans, legal and fiduciary obligations that affect the business;

5) To ensure high standards of ethics and corporate behaviour in the conduct of business;

6) Commitment in governing management and providing oversight of the Company, including the appointment of senior management, the implementation of appropriate policies and procedures that govern management conduct, ensure sustainability of the Company, monitoring of performance and succession planning;

7) Commitment to understand and implement appropriate measures to manage key risk factors of the Company; and

8) Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems.

The Board has delegated certain responsibilities to 2 committees, namely the Audit and Risk Management Committee and the Combined Nomination and Remuneration Committee which operates within clearly defined terms of references to support and assist in discharging its fiduciary duties and responsibilities.

These committees have the authority to examine pertinent matters within their terms of references 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.

Formalized Ethical Standards through Code of Ethics

The Group's Codes of Ethics and Conduct are set out in the Employee Handbook and the Codes of Ethics and Conduct for Directors. These two documents are expected to govern the standards of ethics and good conduct expected of the Directors and the employees of the Group.

Strategies Promoting Sustainability

The Board promotes good Corporate Governance in the application of sustainability practices throughout the Group, the benefits of which are believed to translate into better corporate performance. A detailed report on sustainability activities, demonstrating the Group's commitment to the global environmental, social, governance and sustainability agenda, appears in the Sustainability Report of this Annual Report.

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES *cont'd*

Access to Information and Advice

The Directors have individual and independent access to the advice and dedicated support services of the Company Secretary in ensuring the effective functioning of the Board. The Directors may seek advice from the Management on issues under their respective purview. The Directors may also interact directly with the Management, or request further explanation, information or updates on any aspect of the Group's operations or business concerns from them.

The Chairman of the Board ensures that all directors have unrestricted access to timely and accurate information in 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.

In addition, the Board may seek independent professional advice at the Company's expense on specific issues to enable them to discharge their duties and responsibilities in relation to matters being deliberated. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to the approval of the Chairman or the Board, depending on the quantum of the fees involved.

Qualified and Competent Company Secretary

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of its functions. The Company Secretary plays an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary supports the Board in managing the Group's governance model, ensuring it is effective and relevant. The Company Secretary also ensures that deliberations at the Board meetings are properly minuted.

Board Charter

The Board recognizes the importance to set out the key values, principles and ethos of the Group, as policies and strategy development are based on these considerations. The Board Charter includes the division of responsibilities and powers between the Board and Management as well as the different committees established by the Board.

A copy of the Board Charter can be found on the Company's website at www.gdexpress.com.

STRENGTHEN COMPOSITION

Combined Nomination and Remuneration Committee ("CNRC")

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.

Corporate Governance Statement
cont'd

STRENGTHEN COMPOSITION *cont'd*

Combined Nomination and Remuneration Committee ("CNRC") *cont'd*

The duties and responsibilities of the CNRC are as follows:

- 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. In making its recommendations, the CNRC would consider the candidates':

  - skills, knowledge, expertise and experience;
  - professionalism;
  - integrity; and
  - in the case of the candidates for the position of independent non-executive Directors, the CNRC would evaluatethe candidates' ability to discharge such responsibilities/functions as expected from an independent non-executive Directors.

- 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. All assessments and evaluations carried out by the CNRC in the discharge of all its functions are to be properly documented.

- 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.

- To consider and examine such other matters as the members of the CNRC consider appropriate.

STRENGTHEN COMPOSITION *cont'd*

Combined Nomination and Remuneration Committee ("CNRC") *cont'd*

During the year under review, Members of the CNRC are as follows:

	Name
Chairman:	Lim Cheng Sung @ Lim Cheng Sang *(appointed as Chairman on 7 May 2013)*
Members:	Dato' Capt Ahmad Sufian @ Qurnain Bin Abdul Rashid *(resigned as Chairman on 7 May 2013)*
	Liew Heng Heng
	Adi Arman Bin Abu Osman *(appointed on 3 July 2013)*
	Nolee Ashilin Binti Mohammed Radzi *(resigned on 3 July 2013)*

The Board is of the opinion that Mr Lim Cheng Sung @ Lim Cheng Sang, an Independent Non-Executive director, is ideal as Chairman of the CNRC, given his experience and available time commitment.

Gender Diversity

The Board does not have any gender diversity policies and targets or any set measures to meet any target. Nevertheless, the Group is an equal opportunity employer and all appointments and employments are based strictly on merits and are not driven by any racial or gender bias.

Directors' Remuneration Policy

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 for the financial year ended 30 June 2013 categorized into appropriate components are as follows:

	Executive Directors RM	Non-Executive Directors RM
Remuneration		
- Salaries and other emoluments	529,093	61,700
- Defined contribution plan (EPF)	83,457	-
- Fees	-	87,120
	612,550	148,820

Corporate Governance Statement
cont'd

STRENGTHEN COMPOSITION *cont'd*

Directors' Remuneration Policy *cont'd*

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

	Number of Directors	
Range of Remuneration	**Executive Directors**	**Non-Executive Directors**
Below RM50,000	-	3
RM50,001 – RM100,000	-	1
RM250,001 – RM300,000	1	-
RM300,001 – RM350,000	1	-

The Company opts not to disclose the remuneration of individual directors as recommended by the MCCG 2012 as the Company is of the view that disclosure of the remuneration bands of the directors is sufficient to meet the objectives of the MCCG 2012.

REINFORCE INDEPENDENCE

Annual Assessment of Independence

The Board has set out policies and procedures to ensure effectiveness of the Independent Non-Executive Directors on the Board, including new appointments. The Board assesses the independence of the Independent Non-Executive Directors annually, taking into account the individual Director's ability to exercise independent judgment at all times and to contribute to the effective functioning of the Board.

The Independent Non-Executive Directors are not employees and they do not participate in the day-to-day management as well as the daily business of the Company. They are free from any relationship that could materially interfere with their judgement and decision. They bring a broader external perspective, constructively challenge and help develop proposals on strategy, scrutinize the performance of Management in meeting approved goals and objectives, and monitor risk profile of the Company's business and the reporting of quarterly business performances.

The Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interest of the Company.

Tenure of Independent Directors

One of the recommendations of the MCCG 2012 states that the tenure of an independent director should not exceed a cumulative term of nine years. The CNRC have carried out an evaluation on the reappointment of Dato' Capt Ahmad Sufian @ Qurnain Bin Abdul Rashid and Liew Heng Heng who would have served on the Board for nine years by 8 February 2014 and recommended that they be re-appointed to continue in their capacity as Independent Directors of the Company based on the following justifications:-

i) They have met the independence criteria as set out in Chapter 1 of the Main Market Listing Requirements.

REINFORCE INDEPENDENCE *cont'd*

Tenure of Independent Directors *cont'd*

ii) They have contributed sufficient time and effort and attended all the Committee meetings and Board meetings.

iii) The length of their service on the Board does not in any way interfere with their exercise of independent judgement and ability to act in the best interests of the Company.

iv) As they have been with the Company for almost 9 years, therefore they understands the Company's business operations which enable them to participate actively and contribute during deliberations or discussions at Committee meetings and Board meetings without compromising their independence and objective judgement.

Therefore, based on the recommendation of the CNRC, the Board recommended that Dato' Capt Ahmad Sufian @ Qurnain Bin Abdul Rashid and Liew Heng Heng continues to act as Independent Non-Executive Directors of the Company subject to shareholders' approval at the Company's forthcoming Annual General Meeting as they have fulfilled the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Appointments to the Board

The CNRC and the Board through annual assessment carried out believe that the current composition of the Board have 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 CNRC, 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 CNRC.

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

Shareholders' Approval for the Re-appointment of Directors

Mr Teong Teck Lean, Mr Wong Eng Su, Encik Adi Arman Bin Abu Osman and Mr Lim Cheng Sung @ Lim Cheng Sang who are due for retirement, have offered themselves for re-election/re-appointment as Director of the Company at the forthcoming Tenth Annual General Meeting.

The Board is satisfied with the skills, contribution and independent judgment of these retiring directors. In view thereof, the Board recommends and supports their re-appointment as Directors of the Company which is to be tabled for shareholders' approval at the forthcoming Tenth Annual General Meeting of the Company.

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.

Corporate Governance Statement
cont'd

REINFORCE INDEPENDENCE *cont'd*

Separation of Positions of the Chairman and Managing Director/Group Chief Executive Officer

The position of Chairman and Managing Director/Group Chief Executive Officer are held by two different individuals. The Chairman is primarily responsible for the leadership of the Board and ensures effectiveness of the Board while the Managing Director/Group Chief Executive Officer manages the business and operations and implements the Board's decisions. The distinct and separate role of the Chairman and Managing Director/Group Chief Executive Officer, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

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.

The Managing Director/Group 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.

Composition of the Board

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

- One (1) Independent Non-Executive Chairman
- One (1) Managing Director/Group Chief Executive Officer
- One (1) Executive Director and Chief Operating Officer
- One (1) Non-Independent Non-Executive Director
- Three (3) Independent Non-Executive Directors

The Board composition complies with Paragraph 15.02 of Bursa Malaysia Securities Berhad's ("Bursa Securities") Main 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.

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

Board Balance and Effectiveness

The size of the Board is appropriate given the complexity of the Company's business, and the significant time demands placed on the Independent Non-Executive Directors who also serve as Members of Board Committees.

The Board comprises of 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.

REINFORCE INDEPENDENCE *cont'd*

Board Balance and Effectiveness *cont'd*

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. If the need arises, the Company may increase the number of Independent Directors to ensure the balance of power and authority on the Board.

FOSTER COMMITMENT

Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

The attendance of Directors during the financial year ended 30 June 2013 is set out below:

Directors	Board Meetings	Audit and Risk Management Committee Meetings	Combined Nomination and Remuneration Committee Meeting
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	5/5	5/5	2/2
Teong Teck Lean	5/5	Non Member	Non Member
Leong Chee Tong *(resigned on 3 July 2013)*	5/5	Non Member	Non Member
Wong Eng Su *(appointed 27 August 2013)*	Not Applicable	Not Applicable	Not Applicable
Lim Cheng Sung @ Lim Cheng Sang	5/5	5/5	1/1
Dr Wolfgang Baier	4/4	Non Member	Non Member
Liew Heng Heng	5/5	5/5	2/2
Adi Arman Bin Abu Osman *(appointed on 3 July 2013)*	Not Applicable	Not Applicable	Not Applicable
YB Nolee Ashilin Binti Mohammed Radzi *(resigned on 3 July 2013)*	3/5	3/5	1/2

Minutes of meetings (including deliberations by the Board of issues discussed and their conclusion thereof) were 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 the Management and Company Secretary, is responsible for setting the agenda of Board meetings.

To ensure that the Directors have the time to focus and fulfill their roles and responsibilities effectively, one criterion as agreed by the Board for determining candidates for the pool of potential Directors is that they must be able to commit sufficient time to the Company.

Corporate Governance Statement
cont'd

FOSTER COMMITMENT *cont'd*

Time Commitment *cont'd*

The Directors are required to submit an update on their other directorships and shareholdings to the Company Secretary every quarter. Such information is used to monitor the number of directorship held by the Directors and to notify the Companies Commission of Malaysia accordingly.

To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated to them before the beginning of every year. It provides the scheduled dates for meetings of the Board and Board Committees as well as the Annual General Meeting.

Training

All the Directors of the Company have attended the Mandatory Accreditation Programme within the stipulated timeframe required in the Main Market Listing Requirements.

The Directors are committed 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:

- Roles and Responsibilities for Financial Reporting
- Sustainability Training for Directors and Practitioners
- Managing Sustainable Business Transformation – From Good to Great
- Corporate Disclosure for Directors
- Understanding Effective Financial Management
- Common Offences Committed by Directors under Companies Act 1965
- Governance and Enterprise Risk Management

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. The Directors are briefed by the Company Secretary on the letters and circulars issued by Bursa Malaysia Securities Berhad at every Board Meeting.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board take responsibility to present a balanced and meaningful assessment of the Group's position and prospect and to ensure that the financial statements are drawn up in accordance with the provisions of Companies Act, 1965 and applicable accounting standards in Malaysia. The Audit and Risk Management Committee assists the Board in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness. The Directors' Responsibility Statement pursuant to the Bursa Malaysia Securities Berhad's Main Market Listing Requirements is set out in this Annual Report.

In addition to the above, the Company also undertook an independent assessment of the internal control system and assured the Audit and Risk Management Committee that no material issue or major deficiency had been detected which may pose a high risk to the overall internal control under review.

Assessment of Suitability and Independence of External Auditors

The Audit and Risk Management Committee undertakes an annual assessment of the suitability and independence of the external auditors. It is the policy of the Audit and Risk Management Committee to meet with the external auditors at least twice a year to discuss their audit plan, audit findings and the Company's financial statements. These meetings are held without the presence of the Executive Directors and the management. The Audit and Risk Management Committee also meets with the external auditors additionally whenever it deems necessary. In addition, the external auditors are invited to attend the Annual General Meeting of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and contents of their audit report.

RECOGNISE AND MANAGE RISKS

Sound Framework to Manage Risks

The Group maintains and reviews its risk management framework and internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments. More elaborated explanation on the key features of internal controls are set out in the Statement on Risk Management and Internal Control.

Internal Audit Function

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively. The internal auditors adopt a risk-based approach towards the planning and conduct of audits, which are consistent with the Group's framework in designing, implementing and monitoring its internal control system. An Internal Audit Planning Memorandum, setting out the internal audit work expected to be carried out for a period of 3 years, is tabled to the Audit and Risk Management Committee every year and this 3 years plan is subject to annual review.

The internal audit activities were carried out during the year to identify and assess the principal risks and to review the adequacy and effectiveness of the internal controls of the Group. Areas for improvement were highlighted and the implementation of recommendations was being monitored. None of the internal control weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

Corporate Governance Statement
cont'd

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policy and Procedure

The Company recognises the value of transparent, consistent and coherent communications with investment community consistent with commercial confidentiality and regulatory considerations and therefore have put in place a Corporate Disclosure Policy and Procedure to ensure compliance with the disclosure requirements as stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Company aims to build long-term relationships with shareholders and potential investors through appropriate channels for the management and disclosure of information. These investors are provided with sufficient business, operations and financial information on the Group to enable them to make informed investment decisions.

Leverage on Information Technology for Effective Dissemination of Information

The Company's website incorporates an Investor Relations section which provides all relevant information on the Group and is accessible by the public. This Investor Relations section enhances the Investor Relations function by including analyst reports, all announcements made by the Company, annual reports as well as the corporate and governance structure of the Company.

The announcement of the quarterly financial results is also made via Bursa LINK immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Encourage Shareholder Participation at General Meetings

The Company provides information to the shareholders with regards to, amongst others, details of the Annual General Meeting, their entitlement to attend the Annual General Meeting, the right to appoint a proxy and also the qualifications of a proxy.

To further promote participation of members through proxy(ies), which is in line with the insertion of Paragraph 7.21 of the Main Market Listing Requirements, the Company will be seeking shareholders' approval to amend its Articles of Association to include the right of proxies to speak at general meetings, to allow a member who is an exempt authorized nominee to appoint multiple proxies for each omnibus account it holds and expressly disallow any restriction on proxy's qualification.

Encourage Poll Voting

The Company would conduct poll voting if demanded by shareholders at the general meeting. Shareholders will be informed of their right to demand for a poll.

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS *cont'd*

Effective Communication and Proactive Engagement

In maintaining the commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as to the general investing public. The practice of disclosure of information is not just established to comply with the requirements of the Main Market Listing Requirements pertaining to continuing disclosure, it also adopts the best practices as recommended in the MCCG 2012 with regards to strengthening engagement and communication with shareholders. Where possible and applicable, the Group also provides additional disclosure of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital to shareholders and investors to make informed investment decisions.

The Company's website has a "Contact Us" section as well as a dedicated link to the Company's Investor Relations team, where shareholders and potential investors may direct their enquiries on the Group. The Group's Investor Relations team will endeavour to reply to these queries in the shortest possible time.

The Board has identified Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid as the Senior Independent Non-Executive Director to address any valid queries and concern raised by shareholders.

The Annual Report is the main channel of communication between the Company and its stakeholders. The Annual Report communicates comprehensive information of the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the annual report are also governed by the Main Market Listing Requirements.

All information to shareholders are available electronically as soon as it is announced or published. Another key avenue of communication with its shareholders is the Company's Annual General Meeting, which provides a useful forum for shareholders to engage directly with the Company's Directors. During the general meeting, shareholders are at liberty to raise questions or seek clarification on the agenda items of the general meeting from the Company's Directors.

Additional Compliance Information

1. MATERIAL CONTRACTS

During the financial year ended 30 June 2013, there were no material contracts entered into by the Company and its subsidiary companies with Directors and / or major shareholders.

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 2013 are as follows:-

Nature of Transaction	Subsidiary involved	Related Company	Interested Directors / Substantial Shareholders/ Persons Connected to Directors or Substantial Shareholders	Actual Value for the year ended 30 June 2013 (RM)
Provision of system and software application to support the daily operations of GDEX Group	GDSB	GDX	Teong Teck Lean Leong Chee Tong (6)	439,500
Provision of software update and maintenance necessary for the operations of the Group	GDTech	GDX	Teong Teck Lean Leong Chee Tong (6)	147,000
Provision of software training	GDSB	GDX	Teong Teck Lean Leong Chee Tong (6)	292,500
Provision of express delivery services	GD(S)	Singpost	Dr Wolfgang Baier (7)	183,364

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. Mr Teong Teck Lean and Mr Leong Chee Tong are directors and substantial shareholders of GDX.
(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.
(6) Mr Leong Chee Tong had resigned as director of the Company with effect from 3 July 2013.
(7) Dr Wolfgang Baier is the Group Chief Executive Officer of Singpost and Corporate Representative of Singpost in 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.

4. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

Since the last financial year end, 2,871,045 warrants have been exercised and converted to ordinary share capital. As at 11 October 2013, total paid up share capital of the Company had increased to RM26,458,102.80 comprising 264,581,028 ordinary shares of RM0.10 each, with 44,042,217 warrants remained unexercised.

Save as disclosed above, the Company does not have any options or convertible securities in issue or exercisable during the financial year ended 30 June 2013.

5. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme for the financial year ended 30 June 2013.

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 2013, the amount of non-audit fees paid to the external auditors was RM78,000.

8. PROFIT ESTIMATE, FORECAST OR PROJECTIONS

There were no variance of more than ten percent (10%) between the audited results and the unaudited results previously announced. The Company did not announce any profit estimate, forecast or projections for the financial year ended 30 June 2013.

9. PROFIT GUARANTEE

During the financial year ended 30 June 2013, there were no profit guarantees given by the Company.

10. UTILISATION OF PROCEEDS

During the financial year ended 30 June 2013, the Company did not undertake any corporate proposal to raise proceeds.

However, a total of RM2,646,508 was raised from the exercise of the Company's warrants during the financial year. The proceeds were utilized for general working capital purposes of the Group.

11. EMPLOYEES' SHARE OPTION SCHEME

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

Statement on Risk Management and Internal Control

INTRODUCTION

In accordance with the principles set out in the Malaysian Code on Corporate Governance 2012 ("the Code"), a listed company should establish a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets. The Board of Directors ("Board") is pleased to provide this Statement on Risk Management and Internal Control pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as guided by the Statement on Risk Management and Internal Control : Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board acknowledges that it has overall responsibility for the adequacy and integrity of the Group's systems of risk management and internal control including the review of its effectiveness. However, such risk management and internal control system are 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 significant risks faced by the Group and the process involves, amongst others, updating the risk register and internal control documentation when there are changes to business environment or regulatory guidelines. The process is reviewed by the Board annually and is generally in line with the guidelines as contained in the publication – Statement on Risk Management and Internal Control : Guidelines for Directors of Listed Issuers.

The Board is of the view that the system of risk management and internal control are in place for the year under review and up to the date of approval of this statement. The risk management and internal control systems are 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 risk management and 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 management and internal 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 RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Group's systems of risk management and 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 risk management and 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 Risk Management and Internal Control
cont'd

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

1. Control Environment *cont'd*

- **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.

- **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.

- **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 risk management and internal control. The Group also provides relevant training to the employees to ensure continuous improvement in their competencies.

- **Budget Plan and Budget**

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

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

- **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.

Statement on Risk Management and Internal Control
cont'd

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

2. Internal Audit Function

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

The internal audit functions are carried out by an in-house team where improvement opportunities were being identified during internal audit reviews, recommendations are then made and appropriate action plans are agreed upon amongst management, operational and functional units. Results of periodic internal audit visits are tabled to the Audit and Risk Management 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, no material findings that would result in any material losses, contingencies or uncertainties that would warrant a separate disclosure in this annual report had been brought to the attention of the Board. 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 ever changing and challenging business environment.

3. Risk Management Framework

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

Executive Directors and Senior Management together with the Internal Audit unit will carry out an annual structured assessment of key risk profiles, including emerging risks and re-rated principal risks. After key risks identification and assessment, the team establishes strategic responses, actionable programs and tasks to mitigate and manage all risk identified, based on the severity of the impact and the likelihood of occurrence.

The Audit and Risk Management Committee review report on key risk assessment and ensure that the internal audit programs cover identified principal risks. The areas covered are set out in the three-year internal audit plan that was endorsed and approved by the Audit and Risk Management 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 Audit and Risk Management Committee, in turn will update the Board of any significant matters that require the latter's attention via periodic Board meetings. In addition, periodic management meetings are held to assess and monitor the Group's risk as well as to discuss, deliberate and address matters associated with strategic, financial and operational facets of the Group.

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

4. Audit And Risk Management Committee

The Audit and Risk Management Committee of the Group review risk register and 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. The Committee also review the internal audit functions with particular emphasis on the adequacy of audit coverage and implementation of rectification plan based on audit findings. The minutes of the Audit and Risk Management Committee meetings are tabled to the Board every quarter. Further details of the activities undertaken by the Audit and Risk Management Committee are set out in the Audit and Risk Management Committee Report.

The Board considered the system of risk management and internal controls described in this statement to be satisfactory and the risks are at an acceptable level within the context of the Group's business environment.

The Board and Senior Management will continue to implement measures to strengthen the risk and control environment and monitor the health of the risk and internal controls framework.

The Board has received assurance from the Managing Director/Group Chief Executive Officer and the Chief Financial Officer that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects based on the risk management and internal control system of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for the inclusion in the annual report of the Group for the year ended 30 June 2013 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 risk management and internal controls.

This statement is made in accordance with the resolution of the Board of Directors dated 9 October 2013.

Audit and Risk Management Committee Report

The Board of Directors of GD Express Carrier Bhd ("GDEX" or "the Company") is pleased to present the report of the Audit and Risk Management Committee for the financial year ended 30 June 2013.

MEMBERSHIP

During the financial year, the Audit and Risk Management Committee ("Committee") comprises of the following members, all are Independent Non-Executive Directors:

	Name	Designation
(i)	Liew Heng Heng *(Appointed as Chairperson on 7 May 2013)*	Independent Non-Executive Director (Chairperson)
(ii)	Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid *(resigned as Chairman on 7 May 2013)*	Independent Non-Executive Chairman (Member)
(iii)	Lim Cheng Sung @ Lim Cheng Sang	Independent Non-Executive Director (Member)
(iv)	Adi Arman Bin Abu Osman *(appointed on 3 July 2013)*	Independent Non-Executive Director (Member)
(v)	Nolee Ashilin binti Mohammed Radzi *(resigned on 3 July 2013)*	Independent Non-Executive Director (Member)

TERMS OF REFERENCE

The Committee was renamed from 'Audit Committee' to 'Audit and Risk Management Committee' on 27 August 2013 and the summary of the terms of reference is as follows:

1. 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 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.

TERMS OF REFERENCE *cont'd*

2. 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 risk management and 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 and Risk Management Committee Report
cont'd

TERMS OF REFERENCE *cont'd*

2. Duties and Responsibilities *cont'd*

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

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

During the financial year ended 30 June 2013, the Audit And Risk Management Committee met five (5) times.

The attendance records of the Committee Members are shown on page 43 of the Annual Report.

The activities of the Committee include the following:-

1. Financial Reporting

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

(b) reviewed the annual audited financial statements of the 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 And Risk Management 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 internal 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.

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE *cont'd*

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 2013, no Employees Share Option Scheme ("ESOS") were granted to the eligible employees. As such, the Audit And Risk Management Committee is not required to verify the basis of allocation in respect of ESOS.

INTERNAL AUDIT FUNCTION

The Company 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 Process Compliance Unit within the Quality Assurance Group that has 9 personnel. In accordance with the internal audit plan endorsed and approved by the Committee, the team will conduct review on the adequacy and effectiveness of the risk management and internal control system of the Group, and subsequently highlight their findings and suggested 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 continue to operate satisfactorily and effectively.

The total cost incurred by the Internal Audit Department in relation to the conduct of the internal audit functions of the Group during the financial year ended 30 June 2013 amounted to RM180,899.

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

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

Audit and Risk Management Committee Report
cont'd

INTERNAL AUDIT FUNCTION *cont'd*

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

2. Internal audit executed in accordance with the approved annual audit plan. During the financial year, the internal audit audited the following business processes in 21 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 21 branches include Wangsa Maju, Melaka, Seremban, Butterworth, Sungai Petani, Ipoh, Setiawan, Puchong, Sungai Buloh, Kuching, Sibu, Penang, Batu Pahat, Bentong, Serdang, Kota Kinabalu, Keningau, Johor Bahru, Klang, Port Klang and Mentakab;

3. Special audit review on revenue and expenditure was carried out in the second quarter of the financial year under review;

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

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

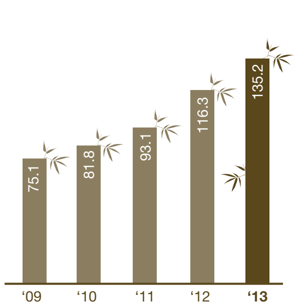
6. Ensured satisfactory actions taken to address previous internal audit findings.

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

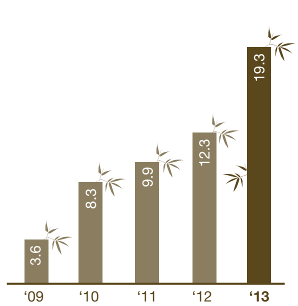
Financial Highlights

	Group year ended 30 June 2013 RM'000	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
Revenue	**135,154**	116,322	93,071	81,839	75,093
Profit from Operations	**20,074**	13,391	10,350	8,301	3,850
Profit before tax	**19,255**	12,253	9,862	8,257	3,561
Profit after tax	**13,616**	8,747	6,976	5,953	2,082
Return on revenue	**10%**	8%	7%	7%	3%
Profit attributable to ordinary equity holders	**13,616**	8,747	6,976	5,953	2,082
Net assets	**65,071**	52,225	46,730	42,387	38,944
Paid-up capital	**26,171**	25,719	25,719	25,719	25,719
Shareholders' equity	**65,071**	52,225	46,730	42,387	38,944
Share information					
(Ordinary shares of RM0.10 each)					
Number of shares in issue ('000)	**261,710**	257,186	257,186	257,186	257,186
Basic earnings per share (sen)	**5.21**	3.40	2.71	2.31	0.81
Diluted earnings per share (sen)	**4.63**	3.05	2.51	-	-
Net assets per share (RM)	**0.25**	0.20	0.18	0.16	0.15
Share price at end of financial year (RM)	**2.000**	1.000	1.010	0.450	0.440

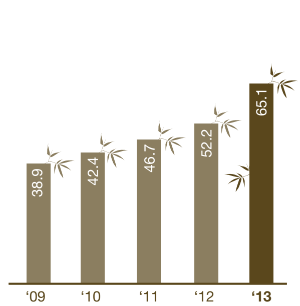
Revenue
(RM Million)



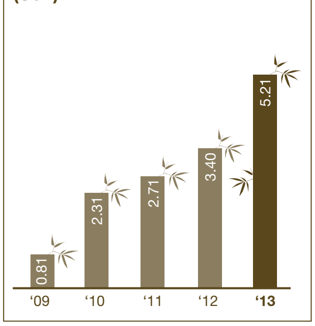
Profit Before Taxation
(RM Million)



Net Assets
(RM Million)



Earning Per Share
(Sen)



Directors' Responsibility Statement

The Directors are required under Paragraph 15.26(a), of the Main Market Listing Requirements to issue a statement explaining their responsibility for preparing the annual audited financial statements.

The Directors are required under the provisions of the Companies Act, 1965 to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Group and of the Company as at the financial year end and of the results and cash flows of the 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 2013 on pages 71 to 133 of the printed version of this Annual Report, the Company has adopted appropriate accounting policies, applied them consistently and supported by reasonable and prudent judgements and estimates. The Directors also consider that all applicable Malaysian 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 with reasonable accuracy at any time the financial position of the Company and to enable them to comply with the provisions of the Companies Act, 1965.

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

The auditors' responsibilities are stated in their report to the shareholders on page 69 and 70.

Statement made in accordance with the resolution of the Board of Directors dated 9 October 2013.

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

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 2013.

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	19,254,981	4,601,494
Income tax expense	(5,638,721)	(147,846)
Profit for the year	13,616,260	4,453,648

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

As mentioned in Note 24 to the Financial Statements, a 12.5% single tier dividend amounting to RM3,271,374 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 22.5% single tier dividend amounting to approximately RM6.0 million in respect of the financial year ended 30 June 2013. 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

As mentioned in Note 17 to the Financial Statements, during the financial year, the Company increased its issued and paid-up ordinary share capital from 257,186,038 ordinary shares of RM0.10 each to 261,709,983 ordinary shares of RM0.10 each by the issuance of 4,523,945 new ordinary shares of RM0.10 each pursuant to the exercise of 4,523,945 warrants at an exercise price of RM0.585 per warrant. The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The resulting premium of RM2,194,113 arising from the shares issued was credited to the share premium account, as shown in Note 18 to the Financial Statements.

The issue of shares after the reporting period are disclosed in Note 30 to the Financial Statements.

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

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.

Report of the Directors
cont'd

WARRANTS 2011/2016 *cont'd*

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

	Number of warrants over ordinary shares of RM0.10 each			
	As of 1.7.2012	Granted	Exercised	As of 30.6.2013
Number of Warrants	51,437,207	-	(4,523,945)	46,913,262

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.

OTHER STATUTORY INFORMATION *cont'd*

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

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

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

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

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

DIRECTORS

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

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Teong Teck Lean
Liew Heng Heng
Lim Cheng Sung @ Lim Cheng Sang
Dr. Wolfgang Baier
Adi Arman bin Abu Osman *(appointed on 3 July 2013)*
Wong Eng Su *(appointed on 27 August 2013)*
Leong Chee Tong *(resigned on 3 July 2013)*
Y. B. Nolee Ashilin binti Mohammed Radzi *(resigned on 3 July 2013)*

In accordance with Article 104 of the Company's Articles of Association, Mr. Teong Teck Lean retires by rotation at the forthcoming Annual General Meeting of the Company and, being eligible, offers himself for re-election.

Encik Adi Arman bin Abu Osman and Mr. Wong Eng Su, who were appointed to the Board since the last Annual General Meeting, retire under Article 91 of the Company's Articles of Association and, being eligible, offer themselves 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.

Report of the Directors
cont'd

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 1.7.2012	Bought	Sold	As of 30.6.2013
Shares in the Company				
Direct interest				
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	4,050,000	-	(1,000,000)	3,050,000
Teong Teck Lean	37,500	625,000	-	662,500
Liew Heng Heng	125,000	-	-	125,000
Lim Cheng Sung @ Lim Cheng Sang	-	500,000	-	500,000
Leong Chee Tong	6,438,743	-	-	6,438,743
Indirect interest				
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	4,625,000	-	(1,625,000)	3,000,000^
Teong Teck Lean	105,713,496	2,910,000	-	108,623,496*

^ *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, Datin Mardiana Binti Mohamed Zain in the Company (1,000,000 ordinary shares).*

* *Deemed interest by virtue of his personal and spouse's, 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.*

DIRECTORS' INTERESTS *cont'd*

	Number of warrants over ordinary shares of RM0.10 each			
	As of 1.7.2012	Bought	Exercised	As of 30.6.2013
Warrants in the Company				
Direct interest				
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	200,000	-	-	200,000
Teong Teck Lean	7,500	-	-	7,500
Liew Heng Heng	125,000	-	-	125,000
Lim Cheng Sung @ Lim Cheng Sang	-	600,000	-	600,000
Leong Chee Tong	3,257,748	-	-	3,257,748
Indirect interest				
Teong Teck Lean	27,510,299	-	(2,910,000)	24,600,299*

* *Deemed interest by virtue of his personal and spouse's, 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.*

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 and warrants, nor had beneficial interest in the shares and warrants 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.

Report of the Directors
cont'd

DIRECTORS' BENEFITS *cont'd*

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

EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are disclosed in Note 30 to the Financial Statements.

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 **WONG ENG SU**

Kuala Lumpur,
9 October 2013

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 2013 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 71 to 132.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible 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 give a true and fair view of the financial position of the Group and of the Company as of 30 June 2013 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 32 on page 133 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

As stated in Note 2 to the Financial Statements, the Group and the Company adopted Malaysian Financial Reporting Standards on 1 July 2012 with a transition date of 1 July 2011. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position as of 30 June 2012 and 1 July 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended 30 June 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 30 June 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as of 1 July 2012 do not contain misstatements that materially affect the financial position as of 30 June 2013 and financial performance and cash flows for the year then ended.

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 to any other person for the contents of this report.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

HIEW KIM TIAM
Partner - 1717/08/15 (J)
Chartered Accountant

9 October 2013

Statements of Comprehensive Income
for the year ended 30 June 2013

	Note	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
Revenue	6	135,153,851	116,321,540	5,190,000	4,325,000
Other operating income	7	590,529	504,124	600,200	511,520
Direct costs	7	(27,485,760)	(23,795,452)	-	-
Staff costs	7	(63,672,483)	(58,430,896)	-	-
Depreciation of property, plant and equipment	11	(5,419,100)	(4,460,637)	-	-
Amortisation of prepaid lease payments	12	(500,384)	(605,002)	-	-
Other operating expenses	7	(18,002,313)	(15,638,587)	(1,188,706)	(507,734)
Finance costs	8	(1,409,359)	(1,642,207)	-	-
Profit before tax	7	19,254,981	12,252,883	4,601,494	4,328,786
Income tax expense	9	(5,638,721)	(3,505,580)	(147,846)	(84,566)
Profit for the year		13,616,260	8,747,303	4,453,648	4,244,220
Other comprehensive income/(loss)					
Items that may be reclassified subsequently to profit or loss: Exchange differences on translating foreign operations		24,131	(37,186)	-	-
Other comprehensive income/(loss) for the year, net of tax		24,131	(37,186)	-	-
Total comprehensive income for the year		13,640,391	8,710,117	4,453,648	4,244,220
Profit for the year attributable to: Owners of the Company		13,616,260	8,747,303	4,453,648	4,244,220
Total comprehensive income attributable to: Owners of the Company		13,640,391	8,710,117	4,453,648	4,244,220
Earnings per ordinary share:					
Basic (sen)	10	5.21	3.40		
Diluted (sen)	10	4.63	3.05		

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

Statements of Financial Position
as of 30 June 2013

			The Group	
	Note	30.6.2013	30.6.2012	1.7.2011
		RM	RM	RM
ASSETS				
Non-Current Assets				
Property, plant and equipment	11	32,159,885	28,898,390	23,816,586
Prepaid lease payments	12	22,216,791	22,717,175	23,322,177
Goodwill on consolidation	13	-	137,141	137,141
Total Non-Current Assets		54,376,676	51,752,706	47,275,904
Current Assets				
Inventories - at cost		648,057	406,297	477,530
Trade receivables	15	29,541,236	27,039,004	23,876,962
Other receivables and prepaid expenses	15	3,820,438	3,558,721	2,697,415
Tax recoverable		573,990	514,505	-
Deposits with licensed banks	25	13,584,803	7,954,776	5,393,088
Cash and bank balances	25	4,552,547	4,371,271	6,875,947
Total Current Assets		52,721,071	43,844,574	39,320,942
Total Assets		107,097,747	95,597,280	86,596,846

Statements of Financial Position

as of 30 June 2013

cont'd

	Note	The Group 30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
EQUITY AND LIABILITIES				
Capital and Reserves				
Issued capital	17	26,170,998	25,718,604	25,718,604
Reserves	18	38,900,348	26,506,812	21,011,520
Total Equity		65,071,346	52,225,416	46,730,124
Non-Current and Deferred Liabilities				
Hire-purchase payables - non-current portion	19	2,965,753	2,167,539	2,969,956
Borrowings (secured) - non-current portion	20	15,972,613	16,447,989	16,784,619
Provision for retirement benefits	21	82,841	81,438	163,187
Deferred tax liabilities	22	2,248,977	1,809,201	1,111,321
Total Non-Current and Deferred Liabilities		21,270,184	20,506,167	21,029,083
Current Liabilities				
Trade payables	23	3,352,734	2,559,292	2,194,110
Other payables and accrued expenses	23	8,799,277	10,468,463	6,543,229
Amount owing to directors	16	-	-	4,345
Hire-purchase payables - current portion	19	2,499,053	2,548,639	2,343,436
Borrowings (secured) - current portion	20	4,984,035	6,961,798	7,068,105
Tax liabilities		1,121,118	327,505	684,414
Total Current Liabilities		20,756,217	22,865,697	18,837,639
Total Liabilities		42,026,401	43,371,864	39,866,722
Total Equity and Liabilities		107,097,747	95,597,280	86,596,846

Statements of Financial Position

as of 30 June 2013

cont'd

	Note	The Company 30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
ASSETS				
Non-Current Asset				
Investment in subsidiary companies	14	25,210,604	20,610,606	18,569,413
Current Assets				
Other receivables and prepaid expenses	15	17,300	180,185	183,642
Amount owing by subsidiary companies	16	6,613,352	9,766,364	10,833,324
Tax recoverable		-	28,798	-
Deposits with licensed banks	25	6,318,855	3,505,641	3,415,724
Cash and bank balances	25	77,746	40,629	142,216
Total Current Assets		13,027,253	13,521,617	14,574,906
Total Assets		38,237,857	34,132,223	33,144,319
EQUITY AND LIABILITIES				
Capital and Reserves				
Issued capital	17	26,170,998	25,718,604	25,718,604
Reserves	18	11,516,688	8,309,895	7,280,500
Total Equity		37,687,686	34,028,499	32,999,104
Current Liabilities				
Other payables and accrued expenses	23	512,521	103,724	113,637
Amount owing to subsidiary company	16	17,368	-	3,684
Amount owing to directors	16	-	-	5
Tax liabilities		20,282	-	27,889
Total Current Liabilities		550,171	103,724	145,215
Total Liabilities		550,171	103,724	145,215
Total Equity and Liabilities		38,237,857	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 2013

The Group	Note	Issued capital	Share premium	Translation reserve	Revaluation reserve	Distributable Reserve - Retained earnings	Total
			Non-Distributable Reserves				
		RM	RM	RM	RM	RM	RM
As of 1 July 2011	31.1	25,718,604	618,070	-	-	20,393,450	46,730,124
Other comprehensive loss for the year		-	-	(37,186)	-	-	(37,186)
Profit for the year		-	-	-	-	8,747,303	8,747,303
Total comprehensive (loss)/income for the year		-	-	(37,186)	-	8,747,303	8,710,117
Dividends	24	-	-	-	-	(3,214,825)	(3,214,825)
As of 30 June 2012		25,718,604	618,070	(37,186)	-	25,925,928	52,225,416
As of 1 July 2012	31.1	25,718,604	618,070	(37,186)	-	25,925,928	52,225,416
Other comprehensive income for the year		-	-	24,131	-	-	24,131
Profit for the year		-	-	-	-	13,616,260	13,616,260
Total comprehensive income for the year		-	-	24,131	-	13,616,260	13,640,391
Arising from warrants exercised	17&18	452,394	2,194,113	-	-	-	2,646,507
Share issue expenses		-	(169,594)	-	-	-	(169,594)
Dividends	24	-	-	-	-	(3,271,374)	(3,271,374)
		452,394	2,024,519	-	-	(3,271,374)	(794,461)
As of 30 June 2013		26,170,998	2,642,589	(13,055)	-	36,270,814	65,071,346

Statements of Changes in Equity

for the year ended 30 June 2013

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 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 2012/1 July 2012		25,718,604	618,070	7,691,825	34,028,499
Total comprehensive income for the year		-	-	4,453,648	4,453,648
Arising from warrants exercised		452,394	2,194,113	-	2,646,507
Share issue expenses		-	(169,594)	-	(169,594)
Dividends	24	-	-	(3,271,374)	(3,271,374)
		452,394	2,024,519	1,182,274	3,659,187
As of 30 June 2013		26,170,998	2,642,589	8,874,099	37,687,686

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

Statements of Cash Flows
for the year ended 30 June 2013

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit for the year	13,616,260	8,747,303	4,453,648	4,244,220
Adjustments for:				
Depreciation of property, plant and equipment	5,419,100	4,460,637	-	-
Income tax expense	5,638,721	3,505,580	147,846	84,566
Finance costs	1,409,359	1,642,207	-	-
Amortisation of prepaid lease payments	500,384	605,002	-	-
Property, plant and equipment written off	328,947	48,777	-	-
Impairment loss on trade receivables	812,281	41,196	-	-
Goodwill arising from consolidation written off	137,141	-	-	-
Bad debts written off	-	86	-	-
Interest income	(351,467)	(209,921)	(177,200)	(98,930)
Provision/(Provision no longer required) for retirement benefits	1,363	(81,950)	-	-
Gain on disposal of property, plant and equipment	(472)	(68,525)	-	-
Dividend income from subsidiary company	-	-	(5,190,000)	(4,325,000)
Impairment loss of investment in subsidiary companies	-	-	-	204,327
Operating Profit/(Loss) Before Working Capital Changes	27,511,617	18,690,392	(765,706)	109,183
(Increase)/Decrease in:				
Inventories	(241,760)	71,233	-	-
Trade receivables	(3,314,513)	(3,199,739)	-	-
Other receivables and prepaid expenses	(261,717)	(859,213)	162,885	3,456
Increase/(Decrease) in:				
Trade payables	793,442	364,757	-	-
Other payables and accrued expenses	(1,929,038)	3,922,767	408,797	(9,918)
Cash Generated From/(Used In) Operations	22,558,031	18,990,197	(194,024)	102,721
Income tax paid	(4,464,817)	(3,679,114)	(98,766)	(141,253)
Net Cash From/(Used In) Operating Activities	18,093,214	15,311,083	(292,790)	(38,532)

Statements of Cash Flows

for the year ended 30 June 2013

cont'd

	Note	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Increase in amount owing by subsidiary companies		-	-	3,153,012	(678,560)
Investment in subsidiary companies		-	-	(4,599,998)	(500,000)
Additions to property, plant and equipment *		(5,099,997)	(8,487,066)	-	-
Proceeds from disposal of property, plant and equipment		2,049	119,483	-	-
Interest received		351,467	209,921	177,200	98,930
(Increase)/Decrease in fixed deposits pledged with licensed banks		298,689	306,364	-	308,000
Dividends received		-	-	5,190,000	4,325,000
Net Cash (Used In)/From Investing Activities		(4,447,792)	(7,851,298)	3,920,214	3,553,370
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Increase/(Decrease) in:					
Amount owing to subsidiary companies		-	-	17,368	(3,684)
Amount owing to directors		-	(4,345)	-	-
Repayment of term loan		(453,139)	(320,884)	-	-
Movement in short-term revolving credit:					
Drawdowns		4,000,000	13,800,000	-	-
Repayments		(6,000,000)	(11,300,000)	-	-
Repayment of Islamic debt facilities		-	(2,622,053)	-	-
Payments of hire-purchase payables		(2,902,642)	(1,747,740)	-	-
Finance costs paid		(1,409,359)	(1,642,207)	-	-
Dividends paid		(3,271,374)	(3,214,825)	(3,271,374)	(3,214,824)
Proceeds from allotment of shares		2,476,913	-	2,476,913	-
Net Cash Used In Financing Activities		(7,559,601)	(7,052,054)	(777,093)	(3,218,508)
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,085,821	407,731	2,850,331	296,330
Effect of exchange differences		24,171	(44,355)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		11,969,869	11,606,493	3,546,270	3,249,940
CASH AND CASH EQUIVALENTS AT END OF YEAR	25	18,079,861	11,969,869	6,396,601	3,546,270

Statements of Cash Flows
for the year ended 30 June 2013
cont'd

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

	The Group	
	2013	**2012**
	RM	**RM**
Purchase of:		
Property, plant and equipment	9,011,119	9,631,666
Financed by:		
Cash payments	5,099,997	8,487,066
Hire-purchase	3,651,270	1,144,600
Other payables	259,852	-
	9,011,119	9,631,666

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 Main 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 9 October 2013.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

2.1 Adoption of Malaysian Financial Reporting Standards

The Group's and the Company's financial statements for the financial year ended 30 June 2013 have been prepared in accordance with MFRSs for the first time. In prior years, these financial statements were prepared in accordance with Financial Reporting Standards ("FRSs").

The transition to MFRSs is accounted for in accordance with MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards,* with 1 July 2011 as the date of transition. The changes in accounting policies as a consequence of the transition to MFRSs and the reconciliations of the effects of the transition to MFRSs are presented in Note 31.

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

2.2 Standards in Issue but Not Yet Effective

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

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Amendments relating to government loans)[1]
MFRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures - Offsetting Financial Assets and Liabilities)[1]
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)[2]
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)[2]
MFRS 10	Consolidated Financial Statements[1]
MFRS 10	Consolidated Financial Statements (Amendments relating to Transition Guidance)[1]
MFRS 11	Joint Arrangements[1]
MFRS 11	Joint Arrangements (Amendments relating to Transition Guidance)[1]
MFRS 12	Disclosures of Interests in Other Entities[1]
MFRS 12	Disclosures of Interests in Other Entities (Amendments relating to Transition Guidance)[1]
MFRS 13	Fair Value Measurement[1]
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)[1]
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)[1]
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)[1]
MFRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)[3]

Amendments to MFRSs contained in the document entitled Annual Improvements 2009 - 2011 cycle[1]

[1] *Effective for annual periods beginning on or after 1 January 2013*

[2] *Effective for annual periods beginning on or after 1 January 2015 instead of 1 January 2013 immediately upon the issuance of Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and MFRS 7 relating to "Mandatory Effective Date of MFRS 9 and Transition Disclosures" on 1 March 2012*

[3] *Effective for annual periods beginning on or after 1 January 2014*

The directors anticipate that above mentioned Standards will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

Notes to the Financial Statements
cont'd

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.

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 MFRS 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 MFRS 112 Income Taxes and MFRS 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 MFRS 2 share-based payment; and

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

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Business Combinations *cont'd*

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.

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.

Notes to the Financial Statements
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Employee Benefits *cont'd*

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Income Tax *cont'd*

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

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

Impairment of Assets Excluding Goodwill

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

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

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

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

Goodwill on Consolidation

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

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

Notes to the Financial Statements
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Goodwill on Consolidation *cont'd*

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

Investment in Subsidiary Companies

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

Property, Plant and Equipment

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

Long-term leasehold building is amortised based on the carrying value of the building over the remaining period of the lease.

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 estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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.

Assets held under hire-purchase arrangements are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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.

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.

Provisions

Provisions are recognised 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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.

Notes to the Financial Statements
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

(a) Financial Assets *cont'd*

(i) Effective Interest Method

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

(ii) Loans and Receivables

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

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

(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.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(a) Financial Assets cont'd

(iv) Derecognition of Financial Assets

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

(b) Financial Liabilities and Equity Instruments

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

(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.

Notes to the Financial Statements
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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.

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

	Group			
	Segment Revenue		Segment Profit/(Loss)	
	2013	2012	2013	2012
	RM	RM	RM	RM
Express delivery	133,959,075	115,935,594	20,768,137	14,080,887
Logistics	1,194,776	385,946	(103,797)	(185,797)
Total	135,153,851	116,321,540	20,664,340	13,895,090
Finance costs			(1,409,359)	(1,642,207)
Profit before tax			19,254,981	12,252,883

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

Notes to the Financial Statements
cont'd

5. SEGMENT REPORTING *cont'd*

Business segments *cont'd*

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	
	2013	**2012**
	RM	**RM**
Segment Assets		
Express Delivery	103,974,618	93,110,952
Logistics	2,549,139	1,971,823
	106,523,757	95,082,775
Unallocated corporate assets		
- Tax recoverable	573,990	514,505
	107,097,747	95,597,280
Segment Liabilities		
Express Delivery	38,504,990	41,036,272
Logistics	151,316	198,886
	38,656,306	41,235,158
Unallocated liabilities		
- Tax liabilities	1,121,118	327,505
- Deferred tax liabilities	2,248,977	1,809,201
	42,026,401	43,371,864

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	
	2013	2012
	RM	RM
Malaysia	133,975,211	115,209,288
Singapore	1,178,640	1,112,252
	135,153,851	116,321,540

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	
	2013	2012
	RM	RM
Malaysia	53,908,396	51,123,290
Singapore	468,280	629,416
	54,376,676	51,752,706

6. REVENUE

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Income from provision of express delivery services and logistics	135,153,851	116,321,540	-	-
Dividend income from subsidiary company	-	-	5,190,000	4,325,000
	135,153,851	116,321,540	5,190,000	4,325,000

Notes to the Financial Statements
cont'd

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

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

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Direct costs:				
Transportation	(26,501,362)	(22,841,564)	-	-
Warehouse charges	(984,398)	(953,888)	-	-
Interest income	351,467	209,921	177,200	98,930
(Provision)/Provision no longer required for retirement benefits (Note 21)	(1,363)	81,950	-	-
Gain on disposal of property, plant and equipment	472	68,525	-	-
Realised (loss)/gain on foreign exchange	(42,274)	16,582	-	16,590
Rental of premises	(2,938,707)	(2,461,978)	-	-
Directors' remuneration:				
Fees	(87,120)	(76,120)	(87,120)	(76,120)
Salaries and other emoluments	(1,202,563)	(1,212,542)	(22,700)	(8,000)
Employees Provident Fund contributions	(121,973)	(118,994)	-	-
Auditors' remuneration:				
Statutory audit:				
Auditors of the Company	(80,000)	(72,000)	(33,000)	(30,000)
Other auditors	(20,132)	(27,813)	-	-
Over/(Under)provision in prior year	8,635	(1,000)	-	-
Special audit	(20,000)	(20,000)	(20,000)	(20,000)
Others	(78,000)	-	(66,000)	-
Property, plant and equipment written off	(328,947)	(48,777)	-	-
Impairment loss on trade receivables	(812,281)	(41,196)	-	-
Bad debts written off	-	(86)	-	-
Goodwill on consolidation written off	(137,141)	-	-	-
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 RM5,434,863 (2012: RM4,451,732).

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

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.

Compensation of Key Management Personnel

The remuneration of key management personnel, including directors, during the year is as follows:

	The Group	
	2013	2012
	RM	RM
Short-term employee benefits	1,140,863	1,168,542
Defined contribution plans	121,973	118,994
	1,262,836	1,287,536

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

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Executive Directors:				
Salaries and other emoluments	1,140,863	1,168,542	-	-
Employees Provident Fund contributions	121,973	118,994	-	-
	1,262,836	1,287,536	-	-
Non-Executive Directors:				
Fees	87,120	76,120	87,120	76,120
Other emoluments	61,700	44,000	22,700	8,000
	148,820	120,120	109,820	84,120
	1,411,656	1,407,656	109,820	84,120

Notes to the Financial Statements
cont'd

8. FINANCE COSTS

	The Group	
	2013	2012
	RM	RM
Interest expense on:		
Term loan	810,256	942,512
Hire-purchase	303,586	376,015
Short term revolving credit	295,517	292,899
Islamic debt facilities - Al Bai Bithaman Ajil	-	30,781
	1,409,359	1,642,207

9. INCOME TAX EXPENSE

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Estimated tax payable:				
Current year	5,140,010	2,799,936	121,304	73,000
Underprovision in prior years	58,935	7,764	26,542	11,566
	5,198,945	2,807,700	147,846	84,566
Deferred tax (Note 22):				
Current year	322,773	644,666	-	-
Underprovision in prior years	117,003	53,214	-	-
	439,776	697,880	-	-
	5,638,721	3,505,580	147,846	84,566

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	
	2013	2012	2013	2012
	RM	RM	RM	RM
Profit before tax	19,254,981	12,252,883	4,601,494	4,328,786
Tax at tax rate of 25%	4,813,745	3,063,221	1,150,374	1,082,197
Effect of different tax rates	18,727	(25,948)	-	-
Tax effects of:				
Income that are not taxable in determining taxable profit	(88,781)	(59,488)	(1,297,500)	(1,081,250)
Expenses that are not deductible in determining taxable profit	888,617	387,983	268,430	72,053
Utilisation of deferred tax assets previously not recognised	(169,525)	-	-	-
Deferred tax asset not recognised	-	78,834	-	-
Underprovision in prior years:				
Current tax	58,935	7,764	26,542	11,566
Deferred tax	117,003	53,214	-	-
Income tax expense	5,638,721	3,505,580	147,846	84,566

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 the Group's profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2013	2012
	RM	RM
Net profit attributable to owners of the Company	13,616,260	8,747,303
	Number of shares	
Weighted average number/Number of ordinary shares in issue	261,464,044	257,186,038
Basic earnings per ordinary share (sen)	5.21	3.40

Fully diluted

The diluted earnings per share of the Group has been calculated by dividing the Group's 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	
	2013	2012
	RM	RM
Net profit attributable to owners of the Company	13,616,260	8,747,303
	Number of shares	
Weighted average number/Number of ordinary shares in issue	261,464,044	257,186,038
Effect of dilution:		
Warrants	32,714,064	29,214,336
Adjusted weighted average number of ordinary shares	294,178,108	286,400,374
Diluted earnings per share (sen)	4.63	3.05

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							
As of 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 2012/1 July 2012	6,451,732	6,791,355	11,587,208	4,790,762	27,614,623	6,504,438	63,740,118
Additions	-	2,989,135	848,798	143,070	4,325,415	704,701	9,011,119
Disposals	-	-	(5,445)	-	-	-	(5,445)
Written off	-	(4,979)	-	(280)	(710,282)	(207,871)	(923,412)
Exchange differences	-	118	23	9	3,558	-	3,708
As of 30 June 2013	6,451,732	9,775,629	12,430,584	4,933,561	31,233,314	7,001,268	71,826,088

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
Accumulated Depreciation							
As of 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 2012/1 July 2012	302,683	3,551,846	9,690,737	1,165,039	15,621,662	4,509,761	34,841,728
Charge for the year	130,253	854,953	736,978	548,968	2,471,245	676,703	5,419,100
Disposals	-	-	(3,055)	-	-	-	(3,055)
Written off	-	(2,033)	-	(216)	(432,016)	(160,200)	(594,465)
Exchange differences	-	118	23	4	2,640	110	2,895
As of 30 June 2013	432,936	4,404,884	10,424,683	1,713,795	17,663,531	5,026,374	39,666,203

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							
As of 30 June 2013	6,018,796	5,370,745	2,005,901	3,219,766	13,569,783	1,974,894	32,159,885
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 1 July 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 RM9,270,911 (30.6.2012: RM8,096,195; 1.7.2011: RM8,697,900).

As of 30 June 2013, the building of the Group with net book value amounting to RM6,018,796 (30.6.2012: RM6,149,049; 1.7.2011: 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 RM18,495,074 (30.6.2012: RM17,150,350; 1.7.2011: RM15,795,504) representing fully depreciated property, plant and equipment which are still in use by the Group.

Notes to the Financial Statements
cont'd

12. PREPAID LEASE PAYMENTS

	Long-term leasehold land The Group RM
Cost:	
As of 1 July 2011	24,124,719
Written off	(106,305)
As of 30 June 2012/1 July 2012/30 June 2013	24,018,414
Cumulative Amortisation:	
As of 1 July 2011	(802,542)
Amortisation for the year	(605,002)
Written off	106,305
As of 30 June 2012/1 July 2012	(1,301,239)
Amortisation for the year	(500,384)
As of 30 June 2013	(1,801,623)
Unamortised Prepaid Lease Payments:	
As of 30 June 2013	22,216,791
As of 30 June 2012	22,717,175
As of 1 July 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, Selangor Darul Ehsan, Malaysia. The land for the factory building and office is leased over a period of 99 years expiring on 13 August 2056. The Group does not have an option to purchase the leasehold interest in land at the expiry of the lease period. The leasehold land is amortised over the period of its remaining lease term of 43 years (30.6.2012: 44 years; 1.7.2011: 45 years).

(ii) Lease of vacant land at No. 21 Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia. 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 of 44 years (30.6.2012: 45 years; 1.7.2011: 46 years).

12. PREPAID LEASE PAYMENTS *cont'd*

Prepaid lease payments relate to: *cont'd*

(iii) Lease of land for the Group's factory building at No. 17 Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The land for the factory building and office is leased over a period of 99 years expiring on 1 February 2058. The Group does not have an option to purchase the leasehold interest in land at the expiry of the lease period. The leasehold land is amortised over the period of its remaining lease term of 45 years (30.6.2012: 46 years; 1.7.2011: 47 years).

As of 30 June 2013, the leasehold land of the Group and 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		
	30.6.2013	**30.6.2012**	**1.7.2011**
	RM	**RM**	**RM**
Goodwill on consolidation	-	137,141	137,141

As of 30 June 2013, the directors have reviewed the goodwill on consolidation for indications of impairment and concluded that impairment loss is required and, accordingly, goodwill on consolidation has been fully written off during the financial year.

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

	The Group		
	30.6.2013	**30.6.2012**	**1.7.2011**
	RM	**RM**	**RM**
Express delivery services	137,141	137,141	137,141
Less: Written off	(137,141)	-	-
	-	137,141	137,141

Impairment test for goodwill

Goodwill is tested 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.

Notes to the Financial Statements
cont'd

14. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Unquoted shares - at cost	25,654,881	21,054,883	18,809,363
Less: Impairment loss	(444,277)	(444,277)	(239,950)
Net	25,210,604	20,610,606	18,569,413

GD Valueguard Sdn. Bhd. was incorporated on 12 June 2012 by the Company's directors and, subsequently, on 27 December 2012, the Company acquired 100% equity interest in GD Valueguard Sdn. Bhd. from the directors for a cash consideration of RM2.00, of which the net total assets position and the net profit of GD Valueguard Sdn. Bhd. on the date of acquisition amounted to RM14,343 and RM14,341 respectively. Subsequently, the Company subscribed for an additional 99,998 new ordinary shares of RM1.00 each at par in GD Valueguard Sdn. Bhd. for total cash consideration of RM99,998.

The Company also subscribed an additional 4,499,998 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 RM4,499,998.

Details of the subsidiary companies are as follows:

Direct Subsidiary Companies	Country of Incorporation	Effective Equity Interest			Principal Activities
		30.6.2013	30.6.2012	1.7.2011	
		%	%	%	
GD Express Sdn. Bhd.	Malaysia	100	100	100	Provision of express delivery services
GD Venture (M) Sdn. Bhd.	Malaysia	100	100	100	Provision of transportation services to related company
GD Technosystem Sdn. Bhd.	Malaysia	100	100	100	Licensing of software and rental of computer equipment to related company
GD Express (Singapore) Pte. Ltd. *	Singapore	100	100	100	Provision of express delivery services
GD Logistics (M) Sdn. Bhd. *	Malaysia	100	100	100	Engaged in logistic operations
GD Facilities & Assets Management Sdn. Bhd. *	Malaysia	100	100	100	Provision of facilities and assets management services

14. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

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

Direct Subsidiary Companies	Country of Incorporation	Effective Equity Interest			Principal Activities
		30.6.2013	30.6.2012	1.7.2011	
		%	%	%	
GDEX Regional Alliance Pte. Ltd. *	Singapore	100	100	100	Dormant
GD Valueguard Sdn. Bhd. *	Malaysia	100	-	-	Provision of insurance services
Indirect Subsidiary Companies Held through GD Logistics (M) Sdn. Bhd.					
GD Secured Solutions Sdn.Bhd. *	Malaysia	100	100	100	Engaged in logistic operations
GD Distribution Services Sdn. Bhd. *	Malaysia	100	100	100	Engaged in logistic operations
GD Customised Solution Sdn. Bhd. *	Malaysia	100	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 fees 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		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Trade receivables	30,846,508	28,277,947	25,071,102
Less: Allowance for impairment	(1,305,272)	(1,238,943)	(1,194,140)
Net	29,541,236	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		
	30.6.2013	**30.6.2012**	**1.7.2011**
	RM	**RM**	**RM**
Ringgit Malaysia	30,254,291	27,869,005	24,825,813
Singapore Dollar	592,217	408,942	245,289
	30,846,508	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 (30.6.2012: 30 to 90 days; 1.7.2011: 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		
	30.6.2013	**30.6.2012**	**1.7.2011**
	RM	**RM**	**RM**
31 - 60 days	8,353,361	7,066,463	6,346,117
61 - 90 days	4,437,265	3,200,588	3,242,780
> 90 days	2,903,914	3,451,674	4,116,002
Total	15,694,540	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	
	30.6.2013	30.6.2012
	RM	RM
At beginning of year	1,238,943	1,194,140
Amount recognised during the year	812,281	41,196
Amount written off during the year	(746,599)	-
Translation adjustment	647	3,607
At end of year	1,305,272	1,238,943

Other receivables and prepaid expenses consist of:

	The Group		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Deposits for purchase of property, plant and equipment	-	-	150,950
Refundable deposits	1,904,388	1,739,467	1,218,020
Prepaid expenses	1,613,476	1,611,153	886,066
Other receivables	302,574	208,101	442,379
	3,820,438	3,558,721	2,697,415

	The Company		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Prepaid expenses	17,300	180,185	183,642

Included in other receivables of the Group is an amount of RMNil (30.6.2012: RMNil; 1.7.2011: 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.

Notes to the Financial Statements
cont'd

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

The currency exposure profile of other receivables is as follows:

	The Group		
	30.6.2013	**30.6.2012**	**1.7.2011**
	RM	**RM**	**RM**
Ringgit Malaysia	192,150	162,557	421,854
Singapore Dollar	110,424	45,544	20,525
	302,574	208,101	442,379

16. RELATED PARTY TRANSACTIONS

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

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 Mr. 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 Mr. 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 Berhad.

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

	The Group		
	30.6.2013	**30.6.2012**	**1.7.2011**
	RM	**RM**	**RM**
With related parties, GDX Private Limited			
Software training and maintenance services payable	439,500	879,000	879,000
Software license fee payable	439,500	-	-
Singapore Post Limited			
Express delivery services receivable	183,364	252,945	168,613

16. RELATED PARTY TRANSACTIONS *cont'd*

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

	The Company		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
With subsidiary companies, GD Venture (M) Sdn. Bhd.			
Management fee receivable	72,000	72,000	-
GD Express Sdn. Bhd.			
Management fee receivable	180,000	180,000	180,000
GD Facilities & Assets Management Sdn. Bhd.			
Management fee receivable	72,000	72,000	-
GD Technosystem Sdn. Bhd.			
Management fee receivable	72,000	72,000	180,000
GD Valueguard Sdn. Bhd.			
Management fee receivable	27,000	-	-

17. ISSUED CAPITAL

	The Company			
	Number of ordinary shares of RM0.10 each		Amount	
	2013	2012	2013	2012
			RM	RM
Authorised:				
At beginning and end of year	500,000,000	500,000,000	50,000,000	50,000,000
Issued and fully paid:				
At beginning of year	257,186,038	257,186,038	25,718,604	25,718,604
Issued during the year	4,523,945	-	452,394	-
At end of year	261,709,983	257,186,038	26,170,998	25,718,604

Notes to the Financial Statements
cont'd

17. ISSUED CAPITAL *cont'd*

During the financial year, the Company increased its issued and paid-up ordinary share capital from 257,186,038 ordinary shares of RM0.10 each to 261,709,983 ordinary shares of RM0.10 each by the issuance of 4,523,945 new ordinary shares of RM0.10 each pursuant to the exercise of 4,523,945 warrants at an exercise price of RM0.585 per warrant. The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The resulting premium of RM2,194,113 arising from the shares issued was credited to the share premium account, as shown in Note 18.

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	
	2013	**2012**
At beginning of year	51,437,207	51,437,207
Exercised	(4,523,945)	-
At end of year	46,913,262	51,437,207

Notes to the Financial Statements
cont'd

18. RESERVES

	The Group		
	30.6.2013	**30.6.2012**	**1.7.2011**
	RM	**RM**	**RM**
Non-distributable:			
Share premium	2,642,589	618,070	618,070
Translation reserve	(13,055)	(37,186)	-
	2,629,534	580,884	618,070
Distributable:			
Retained earnings	36,270,814	25,925,928	20,393,450
	38,900,348	26,506,812	21,011,520

	The Company		
	30.6.2013	**30.6.2012**	**1.7.2011**
	RM	**RM**	**RM**
Non-distributable:			
Share premium	2,642,589	618,070	618,070
Distributable:			
Retained earnings	8,874,099	7,691,825	6,662,430
	11,516,688	8,309,895	7,280,500

Share premium

	The Group and The Company	
	30.6.2013	**30.6.2012**
	RM	**RM**
At beginning of year	618,070	618,070
Share issue expenses	(169,594)	-
Warrants exercised (Note 17)	2,194,113	-
At end of year	2,642,589	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.

Notes to the Financial Statements
cont'd

18. RESERVES *cont'd*

Retained earnings

Distributable reserves are those available for distribution as cash dividends.

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

19. HIRE-PURCHASE PAYABLES

	The Group		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Total outstanding	5,964,251	5,047,423	5,778,466
Less: Interest-in-suspense	(499,445)	(331,245)	(465,074)
Principal outstanding	5,464,806	4,716,178	5,313,392
Less: Amount due within 12 months (shown under current liabilities)	(2,499,053)	(2,548,639)	(2,343,436)
Non-current portion	2,965,753	2,167,539	2,969,956

The non-current portion is payable as follows:

	The Group		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Within 1 - 2 years	1,281,310	1,694,894	1,811,858
Within 2 - 5 years	1,684,443	472,645	1,158,098
	2,965,753	2,167,539	2,969,956

The interest rates implicit in these hire-purchase obligations range from 5.43% to 7.21% (30.6.2012: 5.67% to 7.16%; 1.7.2011: 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		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Term loan	16,456,648	16,909,787	17,230,671
Short-term revolving credit	4,500,000	6,500,000	4,000,000
Islamic debt facilities - Al Bai Bithaman Ajil	-	-	2,622,053
	20,956,648	23,409,787	23,852,724
Less: Amount due within 12 months (shown under current liabilities)	(4,984,035)	(6,961,798)	(7,068,105)
Non-current portion	15,972,613	16,447,989	16,784,619

The non-current portion is repayable as follows:

	The Group		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Within 1 - 2 years	507,785	484,458	619,343
Within 2 - 5 years	1,677,809	1,600,733	1,394,750
More than 5 years	13,787,019	14,362,798	14,770,526
	15,972,613	16,447,989	16,784,619

(a) RM17.68 million term loan

The term loan bears an average interest rate of 4.85% (30.6.2012: 4.85%; 1.7.2011: 4.60%) per annum and is repayable over 20 years by monthly instalment of RM105,283.

(b) RM10.0 million short-term revolving credit

The short-term revolving credit bears an average interest rate of 4.85% to 5.06% (30.6.2012: 4.85% to 5.25%; 1.7.2011: 4.85% to 5.00%) per annum.

The short-term revolving credit is repayable upon the maturity date of each drawing, together will all interest accrued, unless the relevant drawing has been rolled over.

Notes to the Financial Statements
cont'd

20. BORROWINGS - SECURED *cont'd*

(c) RM3.5 million Islamic debt facilities - Al Bai Bithaman Ajil

The Al Bai Bithaman Ajil Islamic debt bears profit at rates ranging from Nil% (30.6.2012: 6.27% to 7.18%; 1.7.2011: 6.27% to 7.18%) per annum. The Islamic debt facilities were fully repaid on 30 September 2011.

As of 30 June 2013, the Group has term loan and banking facilities totalling RM27,680,000 (30.6.2012: RM27,680,000; 1.7.2011: RM31,234,542) obtained from local licensed banks. Subsequent to the financial year end, on 23 July 2013, a certain bank increased the limit of existing banking facilities of GD Express Sdn. Bhd. by RM10,000,000.

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) Corporate guarantee by the Company;

(c) Specific debenture over land (i) and (ii) as disclosed in Note 12 upon completion of amalgamation of the stated lands; and

(d) Fixed deposits of subsidiary companies amounting to RM57,489 (30.6.2012: RM356,178; 1.7.2011: RM354,542) and fixed deposits of the Company amounting to RMNil (30.6.2012: RMNil; 1.7.2011: RM308,000).

21. PROVISION FOR RETIREMENT BENEFITS

	The Group		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
At beginning of year	81,438	163,187	73,105
Charge/(Credit) to profit or loss (Note 7)	1,363	(81,950)	90,082
Translation adjustment	40	201	-
At end of year	82,841	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		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Discount rate	6.00%	6.00%	6.00%
Monthly average staff turnover rate	4.00%	8.10%	5.30%

22. DEFERRED TAX LIABILITIES

	The Group	
	30.6.2013	30.6.2012
	RM	RM
At beginning of year	(1,809,201)	(1,111,321)
Credit/(Charge) to profit or loss (Note 9):		
Property, plant and equipment	(391,576)	(721,250)
Trade receivables	4,200	11,000
Provision for retirement benefits	600	(20,630)
Unabsorbed capital allowances	(53,000)	33,000
	(439,776)	(697,880)
At end of year	(2,248,977)	(1,809,201)

Notes to the Financial Statements
cont'd

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		
	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Deferred tax assets (before offsetting):			
Temporary differences arising from:			
Trade receivables	302,200	298,000	287,000
Provision for retirement benefits	17,970	17,370	38,000
Unabsorbed capital allowances	-	33,000	-
	320,170	348,370	325,000
Offsetting	(320,170)	(348,370)	(325,000)
Deferred tax assets (after offsetting)	-	-	-
Deferred tax liabilities (before offsetting):			
Temporary differences arising from:			
Property, plant and equipment	(2,569,147)	(2,157,571)	(1,436,321)
Offsetting	320,170	348,370	325,000
Deferred tax liabilities (after offsetting)	(2,248,977)	(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 2013, the 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 their realisation, is as follows:

	The Group		
	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
Unused tax losses	179,994	902,853	970,899
Unabsorbed capital allowances	474,885	430,124	46,742
	654,879	1,332,977	1,071,641

The unused tax losses and unabsorbed capital allowances, 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 (30.6.2012: 30 days; 1.7.2011: 30 days).

The currency exposure profile of trade payables is as follows:

	The Group		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Ringgit Malaysia	3,332,921	2,535,884	2,170,313
Singapore Dollar	19,813	23,408	23,797
	3,352,734	2,559,292	2,194,110

Other payables and accrued expenses consist of:

	The Group		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Accrued staff costs	4,256,869	4,429,507	3,214,252
Service tax payable	1,335,282	1,270,413	1,015,407
Accrued expenses	1,355,028	2,261,477	454,181
Other payables	1,852,098	2,507,066	1,859,389
	8,799,277	10,468,463	6,543,229

	The Company		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Accrued expenses	483,364	103,724	25,996
Other payables	29,157	-	87,641
	512,521	103,724	113,637

Included in accrued expenses of the Group is an amount of RM25,000 (30.6.2012: RM1,380,000; 1.7.2011: RMNil) representing accrued transportation costs.

Notes to the Financial Statements
cont'd

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

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

	The Group		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Ringgit Malaysia	8,595,090	10,240,815	6,409,596
Singapore Dollar	204,187	227,648	133,633
	8,799,277	10,468,463	6,543,229

	The Company		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Ringgit Malaysia	512,521	103,274	113,637

24. DIVIDENDS

	The Group and The Company	
	2013	2012
	RM	RM
In respect of financial year ended 30 June 2012: 12.5% single tier dividend	3,271,374	-
In respect of financial year ended 30 June 2011: 12.5% single tier dividend	-	3,214,825
	3,271,374	3,214,825

The directors proposed a 22.5% single tier dividend amounting to approximately RM5.921 million in respect of the financial year ended 30 June 2013. 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.

25. CASH AND CASH EQUIVALENTS

	The Group		
	30.6.2013	**30.6.2012**	**1.7.2011**
	RM	**RM**	**RM**
Deposits with licensed banks	13,584,803	7,954,776	5,393,088
Cash and bank balances	4,552,547	4,371,271	6,875,947
	18,137,350	12,326,047	12,269,035
Less: Non cash and cash equivalents:			
Deposits pledged with licensed banks (Note 20)	(57,489)	(356,178)	(662,542)
	18,079,861	11,969,869	11,606,493

	The Company		
	30.6.2013	**30.6.2012**	**1.7.2011**
	RM	**RM**	**RM**
Deposits with licensed banks	6,318,855	3,505,641	3,415,724
Cash and bank balances	77,746	40,629	142,216
	6,396,601	3,546,270	3,557,940
Less: Non cash and cash equivalents:			
Deposits pledged with licensed banks (Note 20)	-	-	(308,000)
	6,396,601	3,546,270	3,249,940

Deposits with licensed banks earn interest at rates ranging from 2.6% to 3.8% (30.6.2012: 1.8% to 3.1%; 1.7.2011: 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 (30.6.2012: 30 days; 1.7.2011: 30 days).

Deposits with licensed banks of the Company amounting to RM300,000 (30.6.2012: RM300,000; 1.7.2011: RM300,000) is registered under the name of a subsidiary company which held the deposits in trust for the Company.

25. CASH AND CASH EQUIVALENTS *cont'd*

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

	The Group		
	30.6.2013	**30.6.2012**	**1.7.2011**
	RM	**RM**	**RM**
Ringgit Malaysia	4,378,362	4,265,991	6,261,254
Singapore Dollar	174,185	105,280	614,693
	4,552,547	4,371,271	6,875,947

	The Company		
	30.6.2013	**30.6.2012**	**1.7.2011**
	RM	**RM**	**RM**
Ringgit Malaysia	77,746	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	
	2013	**2012**
	RM	**RM**
Debt	26,421,454	28,125,965
Equity	65,071,346	52,225,416
Debt to equity ratio (%)	40.60	53.85

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

26. FINANCIAL INSTRUMENTS *cont'd*

Significant Accounting Policies

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

Categories of Financial Instruments:

	The Group		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Financial assets			
Loans and receivables:			
Trade and other receivables	31,748,198	29,270,592	25,561,253
Cash and bank balances	4,552,547	4,371,271	6,875,947
Deposits with licensed banks	13,584,803	7,954,776	5,393,088
Financial liabilities			
Carried at amortised cost:			
Trade and other payables	12,152,011	13,027,755	8,737,339
Amount owing to directors	-	-	4,345
Hire-purchase payables	5,464,806	4,716,178	5,313,392
Borrowings (secured)	20,956,648	23,409,787	23,852,724

Notes to the Financial Statements
cont'd

26. FINANCIAL INSTRUMENTS *cont'd*

Categories of Financial Instruments: *cont'd*

	The Company		
	30.6.2013	30.6.2012	1.7.2011
	RM	RM	RM
Financial assets			
Loans and receivables:			
Amount owing by subsidiary companies	6,613,352	9,766,364	10,833,324
Cash and bank balances	77,746	40,629	142,216
Deposits with licensed banks	6,318,855	3,505,641	3,415,724
Financial liabilities			
Carried at amortised cost:			
Trade and other payables	512,521	103,724	113,637
Amount owing to directors	-	-	5
Amount owing to subsidiary companies	17,368	-	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 long-term interest bearing assets as of 30 June 2013.

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.

26. FINANCIAL INSTRUMENTS *cont'd*

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 RM132,107 (2012: RM140,630; 2011: RM119,203). This is mainly attributable to the Group's exposure to interest rates on borrowings.

Foreign Currency Risk Management

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

Foreign Currency Sensitivity Analysis

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

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

	The Group Profit or Loss	
	2013	**2012**
	RM	**RM**
Singapore Dollar	73,525	29,251

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.

Notes to the Financial Statements
cont'd

26. FINANCIAL INSTRUMENTS *cont'd*

Credit Risk Management

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

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

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

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

Cash Flow Risk

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

Liquidity Risk Management

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

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						
30.6.2013						
Financial liabilities						
Non-interest bearing:						
Trade and other payables		12,152,011	-	-	-	12,152,011
Interest bearing:						
Hire-purchase payables	5.96	2,998,498	1,281,310	1,684,443	-	5,964,251
Borrowings (secured)	4.38	4,984,035	507,785	1,677,809	13,787,019	20,956,648
		20,134,544	1,789,095	3,362,252	13,787,019	39,072,910

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						
30.6.2012						
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	6,961,798	484,458	1,600,733	14,362,798	23,409,787
		22,768,791	2,263,239	2,090,137	14,362,798	41,484,965

	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						
1.7.2011						
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	7,068,105	619,343	1,394,750	14,770,526	23,852,724
		18,428,845	2,565,464	2,608,039	14,770,526	38,372,874

Notes to the Financial Statements
cont'd

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
The Company	
30.6.2013	
Financial liabilities	
Non-interest bearing:	
Other payables	512,521
Amount owing to subsidiary companies	17,368
30.6.2012	
Financial liabilities	
Non-interest bearing:	
Other payables	103,724
1.7.2011	
Financial liabilities	
Non-interest bearing:	
Other payables	113,637
Amount owing to subsidiary company	3,684
Amount owing to directors	5
	117,326

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*

Fair Values

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

	The Group			
	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM	RM	RM	RM
Financial Liabilities				
Term loan (Note 20)	16,456,648	16,456,648	16,909,787	16,909,787
Hire-purchase payables (Note 19)	5,464,806	5,144,773	4,716,178	4,542,506

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 2013, the Group has the following commitments in respect of rental of premises:

	Future minimum lease payments	
	The Group	
	2013	2012
	RM	RM
Within 1 year	2,333,408	2,291,146
Within 1 - 2 years	1,300,323	1,206,450
Within 2 - 5 years	539,858	559,150
	4,173,589	4,056,746

Notes to the Financial Statements
cont'd

28. CAPITAL COMMITMENTS

As of 30 June 2013, the Group has the following capital commitments in respect of:

	The Group	
	2013	2012
	RM	RM
Approved and contracted for:		
Purchase of motor vehicles	1,571,106	1,122,795
Purchase of tools and equipment	253,441	-
Renovation works	60,111	-
	1,884,658	1,122,795

29. CONTINGENT LIABILITIES - UNSECURED

As of 30 June 2013, the Group and the Company have the following contingent liabilities:

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Corporate guarantee given to a bank for banking facilities granted to subsidiary companies	-	-	31,680,000	31,180,000
Corporate guarantee given to a supplier for credit facility granted to a subsidiary company	-	-	50,000	50,000
	-	-	31,730,000	31,230,000

30. EVENTS AFTER THE REPORTING PERIOD

(a) Subsequent to the financial year ended 30 June 2013, the Company increased its issued and paid-up ordinary share capital from RM26,170,998 to RM26,456,113 by the issuance of 2,851,145 new ordinary shares of RM0.10 each pursuant to the exercise of 2,851,145 warrants at an exercise price or RM0.585 per ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The resulting premium of RM1,382,805 arising from the shares issued has been credited to the share premium account.

(b) On 8 November 2012, the Board of Directors of the Company proposed to transfer the entire issued and fully paid share capital and the outstanding five (5) years warrants 2011/2016 of the Company from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad ("Transfer"). On 18 July 2013, Bursa Malaysia Securities Berhad approved the Transfer which was subsequently completed on 5 August 2013.

(c) On 2 September 2013, the Company proposed to undertake the following:

i. Proposed subdivision of every one (1) of the Company's ordinary share into two (2) subdivided shares in the Company;

ii. Proposed issuance of one (1) bonus share for every two (2) subdivided shares held by the entitled shareholders on an entitlement date; and

iii. Proposed establishment of a dividend reinvestment plan that provides the shareholders of the Company with the option to elect to reinvest their cash dividends in subdivided shares.

The directors expect the proposals to be completed by the end of the third quarter of the financial year ending 30 June 2014.

31. EXPLANATION OF TRANSITION TO MFRSs

This is the first year that the Group's and the Company's financial statements are prepared and presented in accordance with MFRSs. The last financial statements under FRSs were for the year ended 30 June 2012 and the date of transition to MFRSs was therefore, 1 July 2011.

An opening statement of financial position as at the date of transition has been prepared based on the accounting policies as described in Note 3. The transition to MFRSs has been accounted for in accordance with MFRS 1, as disclosed in Note 2.1.

The disclosures set out below explain how the transition from FRSs to MFRSs have affected the financial position, financial performance and cash flows of the Group. The changes in accounting policies as a consequence of transition to MFRSs are as described in the notes following the aforementioned disclosures. The transition to MFRSs does not have any impact on the reported financial position, financial performance and cash flows of the Company other than as disclosed below.

Notes to the Financial Statements
cont'd

31. EXPLANATION OF TRANSITION TO MFRSs *cont'd*

31.1 Effect of MFRSs Adoption for the Statement of Financial Position

	30 June 2012 (end of last period presented under FRSs)			1 July 2011 (date of transition)		
	FRSs	**Effect of transition to MFRSs**	**MFRSs**	**FRSs**	**Effect of transition to MFRSs**	**MFRSs**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**
EQUITY AND LIABILITIES						
Capital and reserves						
Issued capital	25,718,604	-	25,718,604	25,718,604	-	25,718,604
Share premium	618,070	-	618,070	618,070	-	618,070
Revaluation reserve	391,079	(391,079)	-	399,900	(399,900)	-
Translation reserve	(99,286)	62,100	(37,186)	(62,100)	62,100	-
Retained earnings	25,596,949	328,979	25,925,928	20,055,650	337,800	20,393,450
Total Equity	52,225,416	-	52,225,416	46,730,124	-	46,730,124

31.2 Reconciliation of Retained Earnings

	30 June 2012 (end of last period presented under FRS)	1 July 2011 (date of transition)
	RM	RM
Total retained earnings under FRSs	25,596,949	20,055,650
Adjustment to retained earnings:		
Transfer of revaluation reserve brought forward from prior years to retained earnings (Note 31.4.1)	391,079	399,900
Transfer of foreign currency translation reserve brought forward from prior years to retained earnings (Note 31.4.2)	(62,100)	(62,100)
Total retained earnings under MFRSs	25,925,928	20,393,450

31. EXPLANATION OF TRANSITION TO MFRSs *cont'd*

31.3 Effect of MFRSs Adoption for the Statement of Comprehensive Income for year ended 30 June 2012 (the latest period presented under FRSs)

The Group	FRSs	Effect of transition to MFRSs	MFRSs
	RM	RM	RM
Revenue	116,321,540	-	116,321,540
Other operating income	504,124	-	504,124
Direct costs	(23,795,452)	-	(23,795,452)
Staff costs	(58,430,896)	-	(58,430,896)
Depreciation of property, plant and equipment	(4,460,637)	-	(4,460,637)
Amortisation of prepaid lease payments	(605,002)	-	(605,002)
Finance costs	(1,642,207)	-	(1,642,207)
Other operating expenses	(15,638,587)	-	(15,638,587)
Profit before tax	12,252,883	-	12,252,883
Income tax expense	(3,508,580)	3,000	(3,505,580)
Profit for the year	8,744,303	3,000	8,747,303
Other comprehensive income/(loss):			
Realisation of revaluation reserve transferred to retained earnings	3,000	(3,000)	-
Exchange differences on translating foreign operations	(37,186)	-	(37,186)
Other comprehensive loss for the year, net of tax	(34,186)	(3,000)	(37,186)
Total comprehensive income for the year	8,710,117	-	8,710,117

31. EXPLANATION OF TRANSITION TO MFRSs *cont'd*

31.4 Notes to the Reconciliation

31.4.1 Property, Plant and Equipment

Prior to the adoption of MFRSs, the Group had recorded its property, plant and equipment at revalued amounts.

Upon transition to MFRSs, the Group had decided to measure the leasehold buildings using the cost model under MFRS 116 *Property, plant and equipment* and apply the optional exemption to use the previous revaluation of an item of property, plant and equipment at or before the date of transition to MFRS framework as deemed cost at the date of revaluation. The deemed cost becomes the new MFRS cost basis at the date of the revaluation.

Accordingly, the revalued amount of leasehold buildings of the Group of RM1,467,128 and RM1,500,346 as of 30 June 2012 and 1 July 2011 respectively, are deemed as the cost of leasehold buildings as of 30 June 2012 and 1 July 2011 respectively. The other comprehensive income of RM3,000 arisen from realisation of deferred tax liability on revaluation reserve is adjusted to income tax expense.

The revaluation reserves of RM391,079 as of 30 June 2012 and RM399,900 as of 1 July 2011 were also transferred to retained earnings.

31.4.2 Translation Reserve

Under FRSs, the Group recognised foreign currency translation differences in a separate component of equity.

Upon transition to MFRSs, the Group has elected to apply the optional exemption to deem translation reserve for all foreign operations to be zero at the date of transition. Accordingly, at the date of transition to MFRSs, the optional exemption in MFRS 1 was applied and the cumulative translation reserve differences of RM62,100 of the Group as of 1 July 2011 and 30 June 2012, respectively were transferred to retained earnings.

32. 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 2013 into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Total retained earnings:				
Realised	32,422,613	21,191,400	8,874,099	7,691,825
Unrealised	(2,257,798)	(1,480,222)	-	-
	30,164,815	19,711,178	8,874,099	7,691,825
Add: Consolidation adjustments	6,105,999	6,214,750	-	-
Total retained earnings	36,270,814	25,925,928	8,874,099	7,691,825

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 financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of 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 2013 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

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

Signed in accordance with
a resolution of the Directors,

TEONG TECK LEAN

WONG ENG SU

Kuala Lumpur,
9 October 2013

Declaration by the Officer

Primarily Responsible for the Financial Management of the Company

I, **TUNG SOOK WAH**, the officer 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.

TUNG SOOK WAH

Subscribed and solemnly declared by the
abovenamed **TUNG SOOK WAH** at
KUALA LUMPUR this 9th day of October, 2013.

Before me,

SHAFIE B. DAUD
No. W350
COMMISSIONER FOR OATHS

Analysis of Shareholdings
as at 11 October 2013

Authorised Share Capital	: RM50,000,000.00 comprising 500,000,000 ordinary shares of RM0.10 each
Issued and Fully Paid-Up Capital	: RM26,458,102.80 comprising 264,581,028 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	35	2.97	1,394	0.00
100 – 1,000	718	60.85	105,430	0.04
1,001 – 10,000	221	18.73	1,086,620	0.41
10,001 – 100,000	126	10.68	4,623,790	1.75
100,001 – 13,229,050 [1]	77	6.52	81,514,298	30.81
13,229,051 and above [2]	3	0.25	177,249,496	66.99
TOTAL	**1,180**	**100.00**	**264,581,028**	**100.00**

Notes:-

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

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS

No.	Name of Shareholders/Depositors	No of Shares	%
1	GD EXPRESS HOLDINGS (M) SDN BHD	81,711,496	30.89
2	HDM NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR SINGAPORE POST LIMITED*	71,638,000	27.08
3	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR CITIBANK NA, SINGAPORE (JULIUS BAER)*	23,900,000	9.03
4	LAU WING TAT	9,537,500	3.60
5	LEONG CHEE TONG	6,438,743	2.43
6	DING MEI SIANG	5,948,000	2.24
7	AGNES CHAN WAI CHING	5,091,625	1.92
8	LOI SIEW HOONG	3,588,000	1.36
9	AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	3,050,000	1.15
10	GD HOLDINGS INTERNATIONAL LIMITED	3,012,000	1.14

Analysis of Shareholdings
as at 11 October 2013
cont'd

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

No.	Name of Shareholders/Depositors	No of Shares	%
11	HDM NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR KONG HWAI MING*	2,900,750	1.10
12	TEE CHERN JYU	2,475,200	0.94
13	HDM NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR TAN PIAK HWEE ANTHONY*	2,332,290	0.88
14	MARDIANA BINTI MOHAMED ZAIN	2,000,000	0.76
15	PELABURAN MARA BERHAD	2,000,000	0.76
16	KWOK NGUK MOOI	1,895,100	0.72
17	CHEN SONG WIE	1,880,900	0.71
18	RHB NOMINEES (TEMPATAN) SDN BHD *KWOK NGUK MOOI*	1,771,000	0.67
19	KONG HWAI MING	1,250,000	0.47
20	CHIA PHAY CHENG	1,236,950	0.47
21	GDEX FOUNDATION	1,200,000	0.45
22	HDM NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR LAU CHEN HONG*	1,170,900	0.44
23	CHAN MOON FOOK	1,077,500	0.41
24	MA YUK PING WINNIE	1,009,950	0.38
25	AHMAD NAZIM BIN ABD RAHMAN	1,000,000	0.38
26	ESSEM CAPITAL SDN BHD	1,000,000	0.38
27	KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	1,000,000	0.38
28	DING AH DIEH @ DING PIK CING	991,350	0.37
29	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD *EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)*	989,700	0.37
30	CHIN CHEE SUE	750,000	0.28
TOTAL		**243,846,954**	**92.16**

Analysis of Shareholdings
as at 11 October 2013
cont'd

DIRECTORS' SHAREHOLDINGS AS AT 11 OCTOBER 2013

	Direct Interest		Indirect Interest	
Name of Director	**No. of Shares**	**% of Issued Capital**	**No. of Shares**	**% of Issued Capital**
DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	3,050,000	1.15	3,000,000 [a]	1.13
TEONG TECK LEAN	662,500	0.25	109,823,496 [b]	41.51
WONG ENG SU	111,920	0.04	5,000 [c]	0.00
DR. WOLFGANG BAIER	-	-	-	-
LIEW HENG HENG	250,000	0.09	-	-
LIM CHENG SUNG @ LIM CHENG SANG	500,000	0.19	-	-
ADI ARMAN BIN ABU OSMAN	-	-	-	-

Notes:-

[a] *Deemed interested by virtue of his substantial shareholdings in Essem Capital Sdn Bhd (1,000,000 ordinary shares) pursuant to Section 6(A)(4) of the Companies Act, 1965, and disclosure made pursuant to Section 134(12)(c) of the Companies Act, 1965 on interest held by his spouse in the Company (2,000,000 ordinary shares).*

[b] *Deemed interested by virtue of his interest in GD Express Holdings (M) Sdn Bhd (81,711,496 ordinary shares), GD Holdings International Limited (26,912,000 ordinary shares) and GDEX Foundation (1,200,000 ordinary shares) pursuant to Section 6(A)(4) of the Companies Act, 1965.*

[c] *Deemed interested by virtue of disclosure made pursuant to Section 134(12)(c) of the Companies Act, 1965 on interest held by his spouse in the Company (5,000 ordinary shares).*

SUBSTANTIAL SHAREHOLDERS AS AT 11 OCTOBER 2013

	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	109,823,496 [1]	41.51
GD EXPRESS HOLDINGS (M) SDN BHD	81,711,496	30.88	-	-
SINGAPORE POST LIMITED	71,638,000	27.08	-	-
GD HOLDINGS INTERNATIONAL LIMITED	26,912,000	10.17	-	-
SINGAPORE TELECOMMUNICATIONS LIMITED	-	-	71,638,000 [2]	27.08
TEMASEK HOLDINGS (PRIVATE) LIMITED	-	-	71,638,000 [2]	27.08

Notes:-

[1] *Deemed interested by virtue of his interest in GD Express Holdings (M) Sdn Bhd (81,711,496 ordinary shares), GD Holdings International Limited (26,912,000 ordinary shares) and GDEX Foundation (1,200,000 ordinary shares) pursuant to Section 6(A)(4) of the Companies Act, 1965.*

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

Analysis of Warrant Holdings
as at 11 October 2013

No. of warrants in issue	: 44,042,217 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	713	76.42	14,615	0.03
100 – 1,000	99	10.61	49,375	0.11
1,001 – 10,000	78	8.36	243,070	0.55
10,001 – 100,000	18	1.93	503,825	1.14
100,001 – 2,202,109 [1]	20	2.14	11,065,785	25.13
2,202,110 and above [2]	5	0.54	32,165,547	73.04
TOTAL	**933**	**100.00**	**44,042,217**	**100.00**

Notes:-

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

LIST OF TOP 30 WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrants	%
1	GD EXPRESS HOLDINGS (M) SDN BHD	13,850,299	31.45
2	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR CITIBANK NA, SINGAPORE (JULIUS BAER)*	6,780,000	15.39
3	LAU WING TAT	4,307,500	9.78
4	GD HOLDINGS INTERNATIONAL LIMITED	3,970,000	9.01
5	LEONG CHEE TONG	3,257,748	7.40
6	KWOK NGUK MOOI	1,963,800	4.46
7	HDM NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR KONG HWAI MING*	1,629,410	3.70
8	AGNES CHAN WAI CHING	1,307,905	2.97
9	KONG HWAI MING	1,250,000	2.84
10	RHB NOMINEES (TEMPATAN) SDN BHD *KWOK NGUK MOOI*	926,280	2.10

Analysis of Warrant Holdings
as at 11 October 2013
cont'd

LIST OF TOP 30 WARRANT HOLDERS *cont'd*

No.	Name of Warrant Holders	No. of Warrants	%
11	LIM CHENG SUNG @ LIM CHENG SANG	600,000	1.36
12	HDM NOMINEES (ASING) SDN BHD *UOB KAY HIAN PTE LTD FOR LEOW GEOK HONG*	458,250	1.04
13	HDM NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR LAU CHEN HONG*	411,240	0.93
14	DING AH DIEH @ DING PIK CING	408,030	0.93
15	CHIA PHAY CHENG	371,230	0.84
16	FONG JUNG HOA	211,125	0.48
17	CHAN MOON FOOK	207,500	0.47
18	MA YUK PING WINNIE	201,990	0.46
19	AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	200,000	0.45
20	HDM NOMINEES (ASING) SDN BHD *LIM & TAN SECURITIES PTE LTD FOR NG HENG LEONG*	200,000	0.45
21	HDM NOMINEES (ASING) SDN BHD *UOB KAY HIAN PTE LTD FOR SOONG SIEW LI*	168,275	0.39
22	LAW SAY HUAT	163,700	0.38
23	CHIN CHEE SUE	150,000	0.34
24	HDM NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR TANG TAI MOY*	131,400	0.30
25	DANG TAI LUK	105,650	0.24
26	CHIN YII REN JULIAN	75,000	0.17
27	TEONG CHOO YOONG	50,975	0.12
28	CHIN YII TZE JUSTIN	50,000	0.11
29	RHB NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR NEO TIAM POON*	49,200	0.11
30	SALIMAH BINTI HAJI MOHAMAD	42,700	0.10
TOTAL		**43,499,207**	**98.77**

Analysis of Warrant Holdings
as at 11 October 2013
cont'd

DIRECTORS' WARRANT HOLDINGS AS AT 11 OCTOBER 2013

	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	0.45	-	-
TEONG TECK LEAN	7,500	0.02	24,600,299 [1]	55.86
WONG ENG SU	-	-	-	-
LIEW HENG HENG	-	-	-	-
DR WOLFGANG BAIER	-	-	-	-
LIM CHENG SUNG @ LIM CHENG SANG	600,000	1.36	-	-
ADI ARMAN BIN ABU OSMAN	-	-	-	-

Note:-

[1] Deemed interest by virtue of his interest 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.

Group Property Particulars

Listed below are the particulars of the property referred to 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 30.06.2013 (RM)	Date of Revaluation
(1)	17, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan	Corporate Head Office	108,629	99 years lease expiring 1 February 2058	54 years	20,239,058	-
(2)	19, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan	Corporate Head Office and Distribution Hub	61,909	99 years lease expiring 13 August 2056	40 years	5,472,270	20 June 2008
(3)	21, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan.	Vacant Land	29,757	99 years lease expiring 6 November 2057	-	2,524,260	30 June 2009

Notice of Annual General Meeting

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

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2013 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 22.5% or 2.25 sen per ordinary share of RM0.10 each in respect of the financial year ended 30 June 2013. ***Ordinary Resolution 1***

3. To approve the increase in Directors' Fees to RM87,120 in respect of the financial year ended 30 June 2013 and the payment thereof. ***Ordinary Resolution 2***

4. To re-elect the Director, Mr Teong Teck Lean who is retiring under Article 104 of the Articles of Association of the Company. ***Ordinary Resolution 3***

5. To re-elect the Director, Encik Adi Arman Bin Abu Osman who is retiring under Article 91 of the Articles of Association of the Company. ***Ordinary Resolution 4***

6. To re-elect the Director, Mr Wong Eng Su 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 for Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid to continue in office as Independent Non-Executive Director**

   "THAT authority be and is hereby given to Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid who would have served as an Independent Non-Executive Director of the Company for a cumulative term of nine years on 8 February 2014, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with Malaysian Code on Corporate Governance 2012." ***Ordinary Resolution 8***

10. **Authority for Ms Liew Heng Heng to continue in office as Independent Non-Executive Director**

"THAT authority be and is hereby given to Ms Liew Heng Heng who would have served as an Independent Non-Executive Director of the Company for a cumulative term of nine years on 8 February 2014, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with Malaysian Code on Corporate Governance 2012." ***Ordinary Resolution 9***

11. **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 are hereby empowered to allot and issue shares in the share capital of the Company at any time until the conclusion of the next AGM and 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 (excluding treasury shares, if any) at the time of issue, subject to the Articles of Association of the Company and approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and other relevant bodies where such approval is necessary." ***Ordinary Resolution 10***

12. **Proposed Renewal of 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 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 11 November 2013, 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.

Notice of Annual General Meeting
cont'd

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 11***

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

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

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

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

AND THAT the Board of Direcors of the Company be and is hereby authorised to take all such necessary steps to give effect to the Proposed Share Split with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by the relevant authorities or deemed by the Board to be in the best interest of the Company, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Share Split." ***Ordinary Resolution 12***

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

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

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

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

AND THAT the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Bonus Issue with full powers to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required by the relevant authorities or deemed by the Board to be in the best interest of the Company, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue." ***Ordinary Resolution 13***

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

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

(a) the Proposed DRP which shall upon such terms and conditions as the Board, at their sole and absolute discretion, deem fit be and is hereby approved;

(b) the Board be and is hereby authorised:

    (i) to establish and implement the Proposed DRP;
    (ii) to determine, at their sole and absolute discretion, whether the Proposed DRP will apply to any dividends declared (whether interim, final, special or any other cash dividend) and/or approved by the Company and in respect of the financial year ended 30 June 2013;

Notice of Annual General Meeting
cont'd

(iii) to allot and issue such number of new Subdivided Shares from time to time as may be required to be allotted and issued pursuant to the Proposed DRP; and

(iv) to do all such acts and enter into all such transactions, arrangements, deeds, undertakings and documents as may be necessary or expedient in order to give full effect to the Proposed DRP with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed or agreed to by any relevant authorities (if any) or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, or by the Directors as they, in their absolute discretion, deem fit and in the best interest of the Company;

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

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

Ordinary Resolution 14

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

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

(i) <u>Clause 5</u>

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

(ii) <u>Article 4</u>

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

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

Special Resolution 1

Notice of Annual General Meeting
cont'd

17. **Proposed Amendments to the Articles of Association**

    "THAT the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set out in Appendix I attached to the Annual Report 2013 be and are hereby approved." ***Special Resolution 2***

18. 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.

BY ORDER OF THE BOARD

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

Selangor Darul Ehsan
Date: 11 November 2013

NOTES:

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

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

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

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

5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited by hand at the Registered Office of the Company not less than 48 hours before the time set for the Meeting or any adjournment thereof.*

6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 26 November 2013 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend and/or vote on his behalf.*

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***

In respect of Ordinary Resolution 8, the Board of Directors ("Board") has via the Combined Nomination and Remuneration Committee conducted an evaluation on the re-appointment of Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid who would have served as an Independent Non-Executive Director of the Company for a cumulative term of nine years on 8 February 2014, and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:-

a. *He fulfilled the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and therefore is able to bring independent and objective judgment to the Board.*
b. *He has contributed sufficient time and effort and attended all the Committee meetings and Board meetings.*
c. *The length of his service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interests of the Company.*
d. *As he has been with the Company for almost 9 years, he therefore understands the Company's business operations which enable him to participate actively and contribute during deliberations or discussions at Committee meetings and Board meetings without compromising his independence and objective judgement.*

3. ***Item 10 of the Agenda***

In respect of Ordinary Resolution 9, the Board has via the Combined Nomination and Remuneration Committee conducted an evaluation on the re-appointment of Ms Liew Heng Heng who would have served as an Independent Non-Executive Director of the Company for a cumulative term of nine years on 8 February 2014, and recommended her to continue to act as Independent Non-Executive Director of the Company based on the following justifications:-

a. *She fulfilled the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and therefore is able to bring independent and objective judgment to the Board.*
b. *She has contributed sufficient time and effort and attended all the Committee meetings and Board meetings.*
c. *The length of her service on the Board does not in any way interfere with her exercise of independent judgement and ability to act in the best interests of the Company.*
d. *As she has been with the Company for almost 9 years, she therefore understands the Company's business operations which enable her to participate actively and contribute during deliberations or discussions at Committee meetings and Board meetings without compromising her independence and objective judgement.*

4. ***Item 11 of the Agenda***

The Company had, at its Ninth Annual General Meeting held on 29 November 2012, 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 10 proposed under item 11 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.

5. Item 12 of the Agenda

The proposed adoption of the Ordinary Resolution 11 is a renewal of Shareholders' Mandate which will enable the Group to enter into 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.

Please refer to the Circular to Shareholders dated 11 November 2013 for further information.

6. Item 13 of the Agenda

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

7. Item 14 of the Agenda

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

8. Item 15 of the Agenda

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

9. Item 16 of the Agenda

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

10. Item 17 of the Agenda

The Special Resolution 2 proposed under item 17 of the Agenda, if passed, will render the Articles of Association of the Company to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Appendix I

The Articles of Association of the Company are proposed to be amended in the following manner:

Article No.	Existing Articles		Amended Articles	
2.	WORDS	MEANINGS	WORDS	MEANINGS
	MESDAQ Market	The MESDAQ Market of Bursa Malaysia Securities Berhad.	***Main*** Market	The **Main** Market of Bursa Malaysia Securities Berhad.
	New insertion		***Exempt*** Authorised Nominee	***An authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.***
	Approved Market Place	A stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No. 2) Order 1998.	Deleted	
	Listing Requirements	The listing requirements of the Exchange for the MESDAQ Market including any amendment thereto that may be made from time to time	Listing Requirements	The listing requirements of the Exchange for the ***Main*** Market including any amendment thereto that may be made from time to time
40(1).	Transmission of securities from Foreign Register Where:- (a) The securities of the Company are listed on an Approved Market Place; and (b) The Company is exempted from compliance with Section 14 of the Central Depositories Act under the Rules in respect of such securities The Company shall upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (herein after referred to as "the Foreign Register") to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as "the Malaysian Register") provided that there shall be no change in the ownership of such securities.		Transmission of securities from Foreign Register Where:- (a) The securities of the Company are listed on ***other stock exchange***; and (b) The Company is exempted from compliance with Section 14 of the Central Depositories Act ***or Section 29 of the Securities Industry(Central Depositories) (Amendment) Act 1998, as the case may be,*** under the Rules ***of the Depository*** in respect of such securities The Company shall upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the ***other stock exchange*** (herein after referred to as "the Foreign Register") to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as "the Malaysian Register") provided that there shall be no change in the ownership of such securities.	

Appendix I
cont'd

The Articles of Association of the Company are proposed to be amended in the following manner: *cont'd*

Article No.	Existing Articles	Amended Articles
82.	Voting rights of proxy A proxy shall be entitled to vote both on a show of hands and on a poll on any question at any General Meeting. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a) and (b) of the Act shall not apply to the Company. A member shall not be precluded from attending and voting in person at any general meeting after lodging the form of proxy however such attendance shall automatically revoke the proxy's authority.	Voting rights of proxy A proxy shall be entitled to vote both on a show of hands and on a poll on any question at any General Meeting. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a) and (b) of the Act shall not apply to the Company. ***There shall be no restriction as to the qualification of the proxy***. A member shall not be precluded from attending and voting in person at any general meeting after lodging the form of proxy however such attendance shall automatically revoke the proxy's authority.
83(1).	Appointment of more than one proxy <u>A Member shall, in accordance with the Listing Requirements, be entitles to appoint two (2) or more proxies to attend and vote at the same meeting.</u>	Appointment of more than one proxy ***A member may appoint not more than two (2) proxies to attend, vote and speak at the same meeting.***
83(2).	Proportion of holding represented by each proxy to be specified Where a Member appoints two (2) <u>or more</u> proxies to <u>attend and vote</u> at the same meeting, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.	Proportion of holding represented by each proxy to be specified Where a Member appoints two (2) proxies to ***attend, vote and speak*** at the same meeting, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
83(4).	New insertion	***Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.***

Appendix I
cont'd

The Articles of Association of the Company are proposed to be amended in the following manner: *cont'd*

Article No.	Existing Articles	Amended Articles
86.	Instrument of proxy Every instrument of proxy whether for a specified meeting or otherwise shall as clearly as circumstances will admit, be in the form following or such other form as the Directors may from time to time prescribe or approve or in particular cases accept. GD EXPRESS CARRIER BHD I/We, ……………………………….. of being a member/members of GD EXPRESS CARRIER BHD hereby appoint …………… of …………….. or failing whom, of ……………. or failing whom, the CHAIRMAN of the General Meeting as my/our proxy to vote for me/us and on my/our behalf at the (Annual or Extraordinary as the case may be) General Meeting of the Company, to be held at ……………………… (place of meeting) on the ……. day of ……….. at …………….. (time of meeting) and, at every adjournment thereof for/against* the resolution(s) to be proposed thereat. As witness my hand this …………. day of ………………….. No. of shares held: Signature of Member(s)	Instrument of proxy Every instrument of proxy whether for a specified meeting or otherwise shall as clearly as circumstances will admit, be in the form following or such other form as the Directors may from time to time prescribe or approve or in particular cases accept. GD EXPRESS CARRIER BHD ***(Company No. 630579-A)*** I/We, ………………………………….. of being a member/members of GD EXPRESS CARRIER BHD hereby appoint …………… of …………….. or failing whom, of ……………. or failing whom, the CHAIRMAN of the General Meeting as my/our proxy to vote for me/us and on my/our behalf at the (Annual or Extraordinary as the case may be) General Meeting of the Company, to be held at ……………………… (place of meeting) on the ……. day of ……….. at …………….. (time of meeting) and, at every adjournment thereof for/against* the resolution(s) to be proposed thereat. As witness my hand this …………. day of ………………….. No. of shares held: Signature of Member(s)

Appendix I
cont'd

The Articles of Association of the Company are proposed to be amended in the following manner: *cont'd*

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

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GD EXPRESS

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 Tenth 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, 3 December 2013 at 11.00 a.m. and at any adjournment thereof.

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

NO.	RESOLUTIONS		FOR #	AGAINST#
1.	First and final single-tier dividend of 22.5% or 2.25 sen per ordinary share of RM0.10 each in respect of the financial year ended 30 June 2013	Ordinary Resolution 1		
2.	Increase in Directors' Fees for the financial year ended 30 June 2013 and the payment thereof	Ordinary Resolution 2		
3.	Re-election of Mr Teong Teck Lean as Director	Ordinary Resolution 3		
4.	Re-election of Encik Adi Arman Bin Abu Osman as Director	Ordinary Resolution 4		
5.	Re-election of Wong Eng Su 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 and to authorise the Directors to fix their remuneration	Ordinary Resolution 7		
8.	Authority for Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid to continue in office as Independent Non-Executive Director	Ordinary Resolution 8		
9.	Authority for Ms Liew Heng Heng to continue in office as Independent Non-Executive Director	Ordinary Resolution 9		
10.	Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares	Ordinary Resolution 10		
11.	Proposed Renewal of Shareholders' Mandate	Ordinary Resolution 11		
12.	Proposed Share Split	Ordinary Resolution 12		
13.	Proposed Bonus Issue	Ordinary Resolution 13		
14.	Proposed Dividend Reinvestment Plan	Ordinary Resolution 14		
15.	Proposed Amendments to the Memorandum and Articles of Association to facilitate and allow implementation of Proposed Share Split	Special Resolution 1		
16.	Proposed Amendments to the Articles of Association	Special Resolution 2		

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

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

	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

____
Signature/Common Seal

Date : ______________
Contact No. : ______________

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

Our Stations

HEADQUARTERS (PJ)
03-7787 2222

PENINSULA MALAYSIA

Alor Setar
04-7349 636

Bachok
09-753 2039

Bahau
06-4540 295

Banting
03-3180 1601

Batu Pahat
07-4346 033

Bayan Baru
04-6456 525

Benta
09-3239 453

Bentong
09-2235 099

Butterworth
04-3983 930

Cheras
03-9281 6951

Damansara Perdana
03-7722 3400

Dungun
09-8481 243

Gemas
07-9481 266

Gemencheh
06-4319 420

Gua Musang
09-9126 622

Ipoh
05-2823 661

Jenderam/Dengkil
012-2959 971

Jerantut
09 -2662 708

Jerteh
09-6978 734

Johor Bahru
07-3335 578

Kajang
03-8737 0988

Kampar
05-465 9448

Kemaman
09-8583 091

Kepong
03-6259 6220

Klang
03-3341 1708

Kluang
07-7743 362

Kok Lanas
09-7883 090

Kota Bharu
09-7431 800

Kuala Terengganu
09-6203 006

Kuala Krai
09-9663 546

Kuala Lipis
09-3125 877

Kuala Selangor
03-3289 4727

Kuantan
09-5689 033

Langkawi
04-9660 160

Malim Jaya
06-3340 131

Maran
012-949 2887

Melaka
06-2818 033

Melawati
03-6187 3059

Mentakab
09-2772 100

Mersing
07-7997 027

Muadzam Shah
09-4525 888

Muar
06-9539 337

Parit Buntar
05-7169 429

Pasir Gudang
07-2520 025

Penang
04-2279 358

Pontian
07-686 1430

Port Klang
03-3323 6063

Puchong
03-5882 2460

Pulau Ketam
03-3110 4076

Rawang
03-6091 5662

Segamat
07-9328 033

Senai
07-5986 578

Serdang
03-8945 3488

Seremban
06-7670 121

Sg. Petani
04-4215 580

Shah Alam
03-5548 7413

Sitiawan
05-6910 372

Subang Jaya
03-5631 0688

Sungai Besar
03-3224 6280

Sungai Besi
03-9221 0193

Sungei Buloh
03-7846 1226

Taiping
05-8052 401

Tampin
06-4414 716

Tanah Merah
019-9857 921

Tangkak
06-9782 117

Tanjung Malim
05-4599 210

Teluk Intan
05-6234 635

Triang
09-2551 968

Wangsa Maju
03-4142 0192

Yong Peng/Paloh
012-7012 719

EAST MALAYSIA

SABAH

Keningau
087-336 631

Kota Belud
088-977 126

Kota Kinabalu
088-259 953

Kota Marudu
016-8286 795

Kudat
088-611 490

Lahad Datu
089-885 770

Ranau
019-8022 788

Sandakan
089-222 475

Tambunan
017-8309 545

Tawau
089-774 173

Tenom
017-8304 527

SARAWAK

Batu Niah
085-737 789

Bau
082-763 164

Bekenu
016-8732 399

Belaga
086-461 689

Belawai
014-8946 800

Betong
083-472 337

Bintangor
084-693 497

Bintulu
086-318 871

Dalat
084-864 250

Daro
084-823 786

Kanowit
084-752 715

Kapit
084-797 362

Kuching
082-232 306

Lawas
085-285 369

Limbang
085-212 521

Lundu
013-5676 986

Marudi
085-765 560

Miri
085-434 148

Mukah
084-872 808

Saratok
083-436 003

Sarikei
084-654 108

Serian
082-876 618

Sibu
084-335 075

Song
084-777 261

Sri Aman
083-327 288

Tatau
013-5709 988

LABUAN

Labuan
087-425 880

SINGAPORE

Singapore
65-6396 5539