



GD EXPRESS

GD EXPRESS CARRIER BHD (630579-A)



TAKE
THE BULL
BY THE HORNS

ANNUAL REPORT
2015



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TAKE THE *Bull* BY THE HORNS

In the world of business, the bull is symbolic of raw power and boundless energy. Challenges and opportunities abound when the bull is on a run.

So it is with GD Express Carrier Bhd (GDEX) which has been on a sustained bull run since its listing in 2005. While the running bull has, on one side, brought much growth and profitability to GDEX in the last few years, the flip side carries major challenges that can threaten its success, or usher in new opportunities that could enhance its growth exponentially.

Today, in managing our challenges and maximising our growth, we have taken the bull by the horns by dealing with our challenges resolutely and confronting our problems directly, without fear or trepidation. Only then can we harness the power of the bull to soar to greater heights.



Corporate Information

COMPANY SECRETARIES

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

REGISTERED OFFICE

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

CORPORATE HEAD OFFICE

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

SHARE REGISTRAR

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

AUDITORS

Deloitte (AF0080)
Chartered Accountants
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur

ADVOCATES & SOLICITORS

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

PRINCIPAL BANKER

Malayan Banking Berhad (3813-K)

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

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

CORPORATE WEBSITE

www.gdexpress.com

Group Structure



■ Incorporated in Singapore



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

Chairman's Statement

Dear Shareholders

I am pleased to present my eleventh annual report to our fellow stakeholders for the financial year ended 30 June 2015.

The global economy has improved with the lowering of interest rates in Europe, Japan and China. The US has done well too, bolstered by lower oil prices, a better labour market and a stronger currency that is conducive to international trade. Malaysia's economic growth has slowed slightly, a result of sliding oil and commodity prices. Against this backdrop, our Group continue to improve its results.

OUR PERFORMANCE IN 2015

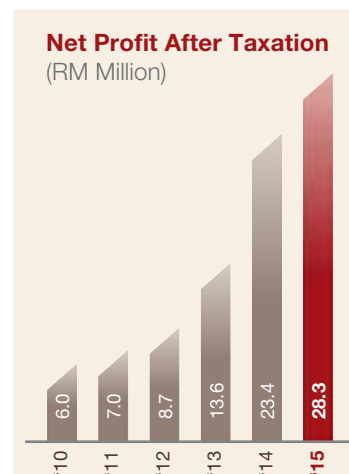
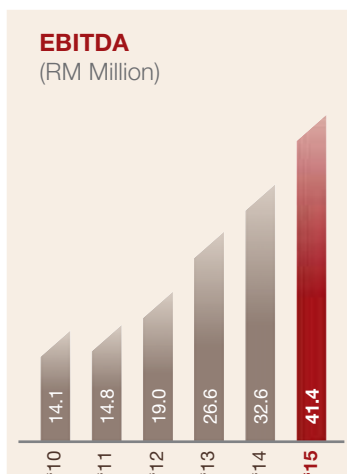
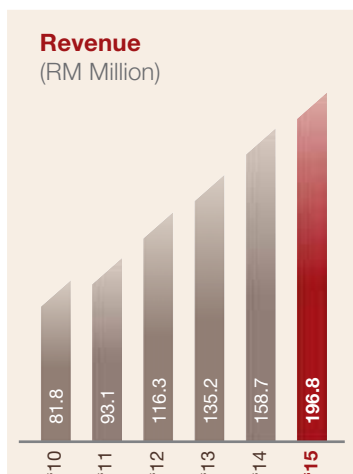
For the period under review, GDEX's group turnover increased by 24% to RM196.8 million from RM158.7 million. Group pre-tax profits increased 29% to RM31.3 million from RM24.3 million, while group profits after taxation showed a 21% rise to RM28.3 million from RM23.4 million previously.

Net earnings per share improved to 2.43 sen per every five sen share from 2.15 sen (adjusted for the bonus share issue) previously and the diluted earnings per share amounted to 2.39 sen per share.

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 27% from RM32.6 million to RM41.4 million.

Chairman's Statement

cont'd



DIVIDEND PAYMENT

The board of directors has declared a first and final dividend of one sen for every five sen share in the enlarged share capital. The board has also decided to continue with the dividend re-investment scheme which provides an option to reinvest into the Company. Over the past two years, the dividend re-investment scheme has enabled the Group to enlarge its share capital from 838,691,219 per five sen share to 1,236,328,268 per five sen share.

SIGNIFICANT DEVELOPMENTS

After years of systematically developing our systems flow, work processes, network and delivery operations to meet international standards, our Group is ready to spread its wings to the ASEAN region. In December last year, the Group opened its first trade representative office in Jakarta.

The strong growth in demand for express delivery services also prompted the Group to increase its resources in all areas of operations, particularly in systems and processes, infrastructure, warehousing, vehicles and manpower. The investment in capital expenditure amounting to RM18.3 million has given us the ability and flexibility to scale up our operations as needed.

The Group completed the corporate exercise of its bonus issue and free warrant issue in February 2015. This exercise raised the issued share capital to RM61.816 million comprising 1,236,328,268 million shares of five sen each.

INTERNAL RE-ORGANISATION

In preparation for regional expansion, the Group has reviewed and scaled up its manpower and operational requirements. Much attention was given to the management team to improve their mindset, workplace skills and knowledge as they prepare to take on greater job responsibilities and challenges. The Group's special task force, headed by the chief executive officer, has also been expanded to look into areas where operational efficiencies can be further improved and where growth opportunities can be maximised. Succession planning was also put in place for the sustainability of the core management of the Group.

CORPORATE SUSTAINABILITY

In an increasingly inter-connected world, our Group continues to actively engage the community at large. We work closely with the regulators Malaysian Communications and Multimedia Commission (MCMC) to improve the express delivery industry consonant with present day demand.

The Group also liaised closely with its suppliers and customers to improve product quality and services. The front and back end of our accounting system has been adjusted to be GST-compliant, and the Group continues to collaborate and assist customers to integrate their systems with our system to ensure compliance with GST rules.

The Group continues to hold regular investor briefings to acquaint, familiarise and update fund managers and investment analysts on its group operations.

Chairman's Statement

cont'd



CHALLENGES AND OPPORTUNITIES

The rising popularity of the internet and e-Commerce in recent years has contributed to the upsurge in demand for express delivery service. However, this increased demand has posed new challenges to the Group in the way of infrastructure, systems and processes, vehicles and manpower. The current shortage of skilled manpower and talents meant that the Group must make extra efforts to plug the vacancies brought on by our robust growth but also to provide the necessary training to ensure the Group continues to deliver quality express services to customers.

The recent trend of customers purchasing more service items in smaller volume, while contributing to higher revenue, has also opened new opportunities to the Group to tap into the rising demand.

The Group also need to look into how fast we can execute our regional expansion plan to take advantage of ASEAN becoming a single economy bloc.

THE FUTURE

The global economic outlook continues to improve, spurred on by low commodity prices, especially oil, and lower interest rates. The sharp spike in e-Commerce worldwide and the emergence of the ASEAN Economic Community (AEC) with a market of over 600 million people bodes well for the express delivery industry. Demand for express delivery services will continue to grow at a fast pace.

For the Group, there are many opportunities for growth. Not only must the Group stay relevant to the industry and improve its overall efficiency, but it must be bold enough to do whatever is necessary to achieve a quantum leap in business. The future is ours if we execute these challenges successfully.

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.

I would also like to express my heartfelt thanks to Mr Wong Eng Su who has resigned as executive director and group chief operating officer on 1 April 2015.

My sincere thanks also go 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.

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

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



GDEX on the **MOVE**

All GDEX vehicles and linehaul trucks are regularly serviced and checked by our fleet management maintenance unit to ensure they are roadworthy before they hit the byways and highways. To ensure your shipments are delivered safely and on time to their respective destinations, your shipments are tracked and monitored closely every step of the way by our state-of-the-art GPS system using satellite technology.



WELCOMED DATANG
ERON HIGHLANDS
PUL MAKMUR

TEONG TECK LEAN
*Managing Director and
Group Chief Executive Officer*

AG



Review of Operations by the Chief Executive Officer

A YEAR OF CHALLENGES

It has been a challenging but satisfying year for the Group. Despite toughened market competition from regional and global players which had grown in strength and numbers, our Group continued to forge ahead with healthy earnings during the period under review. For the financial year ended 30 June 2015, I am pleased to report that the Group registered a 24% increase in turnover of RM196.8 million compared to RM158.7 million. Group profit before tax also improved 29% to RM31.3 million from RM24.3 million. Group after tax profit increased by 21% to RM28.3 million from RM23.4 million a year ago. An improving world economy bolstered by lower oil prices and interest rates, continued support from our customers and the strong commitment to work by our staff contributed to this better showing.

Review of Operations by the Chief Executive Officer

cont'd



UPGRADES AND CAPEX

Demand for express delivery service (EDS) increased substantially for the period under review. Our operations were greatly stretched but our staff rose to the occasion and performed admirably. We had to beef up our resources speedily to meet an upsurge in demand for EDS. In particular we expanded our vehicle fleet, upgraded our systems and processes, and recruited more workers. We extended the area of our all-weather central hub to facilitate the smooth flow of traffic for our incoming and outgoing trucks.

Our vehicle fleet size increased to 578 from 453, raising our carrying tonnage capacity to 1,436 tons from 1,005 tons.

To accommodate our expanding warehouse operations, we have leased additional warehouse space. Currently, we have 105,726sq. ft. of storage and warehousing capacity.

Our manpower strength increased to 2,676 from 2,315 to cater for the increased scope of operations. All our new employees have to undergo basic training, including product knowledge, familiarization of our GDEX culture and corporate philosophy. Our employees, both new and existing, clocked in some 29,763 man-hours in training, compared to 31,834 man-hours in the previous year.

For the year under review, the upgrades and capital expenditure amounted to RM18.3 million.

THE NEW NORMAL

Our Group has been growing at an average rate of 10% to 18% for the past 10 years. While this may seem to be acceptable to many, the management views this as “normal” growth only. The management feels the Group is capable of delivering an even stronger performance in the years ahead. This should be the “new normal” growth pattern for the Group, given the rapid proliferation of the e-Commerce worldwide which will lead to robust growth in express delivery services in the ASEAN region.

After 14 years of continuous growth, our Group is at risk of being complacent. With this type of mindset, we might not be able to respond effectively to new threats and opportunities provided by the changes in the market place. We have to make a stronger effort to break out of this comfort zone and to reinvent ourselves. We have to reset our service level to what is required in the present market place and in the coming years. The emphasis on speed, cost efficiencies, reliability and traceability is becoming more important. This message is continuously drummed into the minds of our expanding workforce, the majority of which is unfamiliar with our company’s culture and work philosophy.

To achieve this “new normal” growth, the management must continually come up with innovative solutions to meet the challenging demands of our existing customers as well as the needs of the e-Commerce customers. In addition, we need to effect a total transformation of the workers’ mindset and work attitude. Our workers must be prepared to work harder, assume greater responsibilities and take on greater challenges at the marketplace. They must overcome their work inhibitions, learn to multi-task and be able to perform different functions, and be less dependent on any single person.



Review of Operations by the Chief Executive Officer

cont'd



As part of its continuous quest for excellence, the management is constantly evolving and adapting to the needs of the marketplace. Besides providing management support and investment in infrastructure, network, systems and processes, vehicle support and manpower, it has developed a more linear management structure that allows executives to grow, to be more expressive and responsible. At the same time, management strives to accord the proper recognition and reward for staff that has performed above expectations.

CORPORATE SUSTAINABILITY

To sustain the Group's growth in this increasingly inter-connected world, the Group continues to focus and place emphasis on the four pillars of its corporate sustainability programme - in the Marketplace, the Workplace, the Community and the Environment around us. Details of our efforts in ensuring corporate sustainability are carried in our Corporate Sustainability Report on page 28.

GDEX FOUNDATION

The GDEX Foundation, set up in 2013 with the objective of promoting the welfare of the community, continues to build on its reserves before taking on some meaningful CSR activity in the near future.

TAKE THE BULL BY THE HORNS

The ASEAN region is regarded as the next hot spot, especially with the take-off of the AEC (the ASEAN Economic Community), an economic bloc that allows free trade and free movement of goods and services for a market size of 600 million in 2015. Despite this positive outlook, the ASEAN region, other than Singapore, has its own unique challenges such as fluctuations in commodity prices and exchange rates.

The world's best global and regional players are homing in on AEC and are pouring billions of dollars in investments to beef up their operations in this region. As an up and coming regional player, our Group has to meet the challenge head-on by continuing to invest aggressively to boost our capabilities and competencies. Failure to do so will render the Group irrelevant in the face of this tumultuous change in the AEC.



Review of Operations by the Chief Executive Officer

cont'd

We have to “take the bull by the horns”, so to say, to meet the challenges of a globalised and inter-connected economy where the internet and e-Commerce have brought about a convergence of business and an era of integration and collaboration within the express carrier industry.

Our direction towards this convergence of businesses is to speed up our efforts in collaboration with other regional or global players, and, at the same time, be prepared to compete in some segments of the market. To broaden our business, we are also looking into diversifying into different channels of distribution of our products and services in the AEC.



ACKNOWLEDGEMENT

Our customers are our lifeblood. To them, I would like to convey our sincere thanks for their continued support. I would also like to thank our vendors, business service partners and the relevant government agencies for their support.

My gratitude also goes to my fellow colleagues and staff of GDEX for their hard work and commitment. We are only able to respond effectively to the challenges ahead with the full support and commitment of all our staff. We know that this would be challenging, but with the right spirit, all of us will help the Group to succeed in the years ahead.

I would like to thank Mr Wong Eng Su, our executive director who resigned at the end of the financial year, for his many years of contribution to the Group.



Review of Operations by the Chief Executive Officer

cont'd



Last but not least, I would like to express my sincere thanks to the Board of Directors for their guidance and support.

I look forward to further progress and improvement in GDEX. I am confident that we will edge closer to our goal of becoming the leading express carrier in the region.

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.





Improving Operational Efficiency at the **HUB**

We constantly carry out improvements at our all-weather hub to increase operational efficiency that saves time and labour costs. Improvements include adding more loading and unloading bays, extending the conveyor belt and fine-tuning the sorting system, and introducing a traffic dispersal system to minimise congestion at the hub. This is part of our “continuous improvement” culture that is inculcated in our workforce.





standing from left to right

Lim Chee Seong

Lim Cheng Sung @ Lim Cheng Sang

Adi Arman Bin Abu Osman

Liew Heng Heng

sitting from left to right

Woo Keng Leong

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

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

Directors' Profile



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

*Independent Non-Executive Chairman
Malaysian aged 66*

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 Committee. He is also the Independent Non-Executive Chairman of WCT 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 45 years of experience in the international maritime industry.



Teong Teck Lean

*Managing Director/Group Chief Executive Officer
Malaysian aged 55*

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



Liew Heng Heng

*Independent Non-Executive Director
Malaysian aged 58*

Ms Liew was appointed to the Board on 8 February 2005. She is currently the chairman of the Audit 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 Malaysian Institute of Accountants (MIA) since 1994.



Lim Cheng Sung @ Lim Cheng Sang

*Independent Non-Executive Director
Malaysian aged 79*

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 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. He relinquished this position on 30 April 2014.



Adi Arman Bin Abu Osman

*Independent Non-Executive Director
Malaysian aged 41*

Encik Adi was appointed to the Board on 3 July 2013. He is currently a member of the Combined Nomination and Remuneration Committee and a member of the Audit 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.

Directors' Profile

cont'd



Woo Keng Leong

*Non-Independent Non-Executive Director
Singaporean aged 59*

Mr Woo was appointed to the Board on 12 February 2015. He is the Senior Executive Vice President/Head, Postal Services of Singapore Post and is fully responsible for the operations and business performance of the Domestic Mail, International Mail and Post Office Network Business Units. He also oversees the International Affairs Department and Philatelic & Stamps Department.

A Public Service Commission scholar, Mr Woo was posted to the then Postal Services Department in 1980. He is responsible for transforming SingPost's Mail business into one of the most efficient and admired mail service providers in the world.

Mr Woo sits on the boards of DataPost Pte Ltd, Singapore Post Enterprise Private Limited, Quantum Solutions Distribution Pte Ltd, Quantum Solutions International Pte Ltd, SingPost Investments (Tampines) Pte Ltd, SingPost ecommerce Logistics Holdings Pte Ltd, SingPost Investments (Ecommerce Logistics) Pte Ltd, GD Express Carrier Berhad, Famous Holdings Pte Ltd, Lock+Store (Ayer Rajah) Pte Ltd, Lock+Store (Chai Chee) Pte Ltd, Lock+Store (Tanjong Pagar) Pte Ltd, Lock and Store (Glenmarie) Sdn Bhd (formerly known as Collective Developers Sdn Bhd), ePDS, Inc, Thai British DPost Company Limited and Singapore Philatelic Museum. He is also a member of the Stamp Advisory Committee.

Mr Woo obtained his Bachelor of Arts (Honours) from the Nanyang University in Singapore and attended a four-month International Post Office Management course in the UK.



Lim Chee Seong

*Executive Director/Chief Financial Officer
Malaysian aged 49*

Mr Lim was appointed to the Board on 10 April 2015. He holds a Certificate and Diploma in Taxation from HELP Institute (currently known as HELP University) and obtained his Certified Accounting Technician (CAT) from the Association of Chartered Certified Accountants (ACCA), UK in 1998. At present, he is a fellow member of the Association of Chartered Certified Accountants, member of Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA), and joined as associate member of Chartered Tax Institute of Malaysia (CTIM) in November 2014. He has a total of more than 25 years working experience in accounting, auditing, taxation, risks management, administrative and human resource management. He started his career as audit assistant with a small-sized

accounting firm in 1988 and then joined Messrs. HALS & Associates as Audit Supervisor in 1992 before joining the commercial sector in 1996. He was the Senior Manager, Group Accounts of NV Multi Corporation Berhad (NV Multi) from 1996 to 2005. Upon leaving NV Multi, he assumed various management positions including Finance & Administration Manager in a travel agency company, and Group Finance Manager in trading & manufacturing company. Prior to joining GDEX, he was a General Manager, Finance in Turiya Berhad and Chase Perdana Sdn Bhd. Mr Lim joined GD Express as General Manager, Finance in May 2011 and is in charge of the overall accounting and financial management related matters of the Group. He was promoted as Chief Financial Officer in February 2014 and is involved in the strategic planning of the Group.

All Directors do not have any family relationship with any director and/or major shareholder 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

Thoo Sin Khew

Lim Chee Seong

Chan Lai Wah

Kwok Nguk Mooi

Marmizahsalwa Ahmad Tarmizi

Lee Kah Hin

Hazlin Bin Abu Hasan

Senior Management Profile

Thoo Sin Khew

*Head, Business Group
aged 50*

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, Sime Inax as Assistant Marketing & Sales Manager cum Business Development for 6 years with mission to source for complimentary products from the USA, Europe and Asia regions. He later joined the UMW Group as OEM Sales Manager being in-charge of Automotive Spare Parts for major Corporate clientele, namely Toyota, Daihatsu, Proton & Perodua, including Retail accounts for a total period of 16 years before moving on to join GD Express in 2010 as the Head of Sales, under the Business Group i.e. being responsible for the full compliance of sales policies and achieving the sales and collection targets of the Group. In July 2015, he was promoted as Head of Business Group which oversees the Sales, Credit, Sales Support, Claim, Compensation & Insurance (CCI), Customer Care Centre (CCC) and Secured Shipment Project Dept. (SSPD). He is responsible for the overall operations of the Business Group.

Lim Chee Seong

*Executive Director/Chief Financial Officer
aged 49*

(Please see Director's Profile on page 21)

Senior Management Profile

cont'd

Chan Lai Wah

General Manager, Corporate Group

aged 57

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.

Kwok Nguk Mooi

Head, Quality Assurance, Risk Management and Measurement Group

aged 41

Ms Kwok holds 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 GD Express 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.

Senior Management Profile

cont'd

Marmizahsalwa Ahmad Tarmizi

Manager, Special Projects
aged 34

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 GD Express as an executive in the Corporate Planning and Development Department. She was promoted as Head of Customer Service in 2007. In 2008, she was appointed 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 appointed as Head of Corporate Planning and Development. In August 2013, she was appointed Head, Country Operations in charge of planning and coordination of courier operations for Malaysia and Singapore. In July 2015, she was reassigned as Manager, Special Projects in the Chief Operating Officer's Office to handle all corporate development projects.

Lee Kah Hin

Advisory, Strategic Planning & Investment
aged 29

Mr Lee graduated with a Bachelor of Science (Statistics) from the University of Malaya in 2009. In 2015, he became a chartered holder of the Chartered Financial Analyst®. He started his career in RHB Capital with attachment to Financial Sector Enrichment Programme (FSTEP) as a trainee in 2009. He was then assigned to work in the Group Finance department upon completion of the one year training. In 2011, he joined OSK Research as an Equity Analyst to look at the steel sector. Upon completion of RHB-OSK merger, he was assigned to cover logistics, airlines, media, rubber products and steel sector under RHB Research Institute. In 2014, he was ranked No.1 in the StarMine Asia Top Stock Pickers under the transportation category. He joined GD Express in December 2014 and is involved in strategic planning, business development and investment. He also handles the Investor Relations duties for the Group.

Hazlin Bin Abu Hasan

Head, Country Operations
aged 41

Encik Hazlin holds an Executive Diploma in Management from University of Malaya in 2012. He started his career as transport contractor for National Panasonic, Likom and Ranger Communication in 1992. Encik Hazlin joined GD Express in 2000 as van driver. Over a few years, he has held the positions of Supervisor in 2002, Head of Operations at Headquarters in 2005 and Regional Manager for Central Region and Sarawak Region in 2006. In July 2007, he was promoted as Head of Courier Division overseeing Customer Service functions and Linehaul operations. In July 2015, he was re-designated as Head, Country Operations. He is responsible for the effective, efficient planning and coordination of courier operations for Malaysia and Singapore.





Strengthening **TEAM SPIRIT**

No organisation can perform well if its workforce is not committed and motivated. GDEX regularly organises group activities and events that creates positive energy that build team spirit, foster unity and understanding among its workforce. Some of these activities include holding network conferences, team building camps and recreational cross-country hikes.

Corporate Sustainability Report

2015

Corporate Sustainability has its roots in the United Nation's Brundtland Commission which published the report *Our Common Future* in 1987 following the rapid deterioration of the human environment and natural resources in the world. The Brundtland Commission coined and defined the term "Sustainable Development" as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

Corporate Sustainability Report 2015

cont'd

This desire to grow without damaging future generations' prospects has become central to business philosophies among the more progressive economies in the world, Malaysia included.

Corporate sustainability, as such, can be described as a business approach that creates long-term consumer and employee value by developing a "green" strategy aimed toward the natural environment and taking into consideration every dimension of how a business operates in the social, cultural, and economic environment. It also formulates strategies to build a company that fosters longevity through transparency, ethical practices and proper employee development.

While it is compulsory for public listed companies to include a corporate sustainability report in their annual reports, an increasing number of establishments are adopting corporate sustainable programmes voluntarily due to its many positive impacts. Sustainability can increase revenue, reduce energy expenses, reduce waste expenses, reduce materials and water expenses, increase employee productivity, reduce hiring and attrition expenses, and reduce strategic and operational risks. Furthermore, sustainable business practices may attract talent and generate tax breaks.

GDEX CORPORATE SUSTAINABILITY PROGRAMME

The Group has practised corporate sustainability since its inception in 1997. Over time, the Group has developed a more focused and systematic approach to corporate sustainability.

Today, the corporate sustainability strategy of the Group revolves around four pillars - the Marketplace, the Workplace, the Community and the Environment around us.

THE MARKETPLACE

The marketplace is where we do our business, raise funds and work with the authorities. GDEX continues to focus on the following areas to ensure its business sustainability:

- Customers
- Suppliers, Vendors and Business Partners
- Government and Regulator
- Shareholders and Investors
- Private Sector Education

Corporate Sustainability Report 2015

cont'd



THE MARKETPLACE *cont'd*

Customers

The customer is our first priority. We constantly strive to create relevancy in our products and services by offering cost effective and innovative product packages and solutions, and ensuring timely and secured delivery to meet customer needs and satisfaction.

Besides providing reliable door-to-door delivery services of documents and/or parcels, we also provide express delivery service for special items such as time-sensitive and high value goods and other value-added services such as risk management and insurance coverage.

For customers requiring comprehensive logistical and warehousing services, we provide customised logistics solutions where its services include security handling for high value items, managing mailroom operations and handling logistics and distribution arrangements.

Our freight forwarding and warehousing division is another important component in our drive to provide integrated logistical solutions to meet the evolving needs and requirements of our customers



Suppliers, Vendors and Business Partners

Our suppliers, vendors and business partners continue to play a vital role in our business operations. We enforce strict criteria in the selection and evaluation of our suppliers, vendors, agents and contractors to ensure they meet and comply with ISO Certification quality standards. As part of our assessment process, we also visit our vendors' factories and participate in their seminar and familiarisation tours. We also conduct supplier evaluation exercise on a yearly basis to ensure suppliers meet the quality standards.



Government and Regulator

We continue to actively engage with the regulatory authorities through the Association of Malaysian Express Carriers (AMEC) to fine-tune the long-term development of the express carrier industry, particularly in areas of road safety and education. We also gave inputs into the training and building of skills set to enhance the human resource aspect of the industry.

Corporate Sustainability Report 2015

cont'd

THE MARKETPLACE *cont'd*

Shareholders and Investors

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

Shareholders and potential investors are kept informed of latest developments through its Investor Relations website and official publications like the Annual Report, and announcement of quarterly results and other important corporate announcement. We meet investment analysts regularly to update their knowledge and understanding of the Group.

As part of Bursa Malaysia Securities Berhad's Listing Requirements, we are required to announce quarterly financial results and present an Annual Report for shareholders' approval at an Annual General Meeting.

Private Sector Education

GDEX aims to be the express carrier of choice for future generations of Malaysians. To strengthen this objective, the Group has introduced a Private Sector Study Tour programme for university and college students to familiarize themselves on logistics and express delivery operations. Visiting students are given a briefing and demonstration of its actual operations and the opportunities available for employment when they graduate.

THE WORKPLACE

The workplace is where we develop our human capital. It is where we nurture and develop our workforce to enable them to handle their responsibilities in an effective and efficient manner. We strive to ensure that our trained manpower stay safe, happy, committed and motivated through the following programmes and activities:

- Training
- Teambuilding
- Health and Wellness
- Safety and Security
- Recreational Activities



Corporate Sustainability Report 2015

cont'd



THE WORKPLACE *cont'd*

Training

We provide regular and structured training to all levels of staff, from incoming recruits to front-line staff, couriers, drivers, supervisors right up to middle and senior executives. We have a Pembangunan Sumber Manusia Berhad (PSMB) certified trainer to plan rigorous training programmes that enhance the professional as well as personal skills and knowledge of our employees.

In 2011, we launched our Multimedia Remote Learning programme that enables our training to reach different parts of the country. In the process, it has raised the number of training hours to an average of 30,000 hours from 20,000 hours previously.

We also participated in training programmes such as Goods & Services Tax, Unclaimed Monies Act and Personal Data Protection Act organized by relevant Government agencies.

Teambuilding

We not only train but affirm our people with activities like team-building and educational workshops to build their skills and confidence. Every year, the management organised a 3-day teambuilding workshop where executives from various departments get together for activities that foster team-spirit and creativity.

We also organised events like annual dinners, long service award ceremonies and festive gatherings to recognize the efforts of our people as well as foster a family spirit and a sense of belonging for our staff.

Health and Wellness

We have established a Health and Safety Committee comprising executives from various departments that looks into the health and safety aspects of our employees. We continue to introduce new safety measures to minimize accidents at the workplace and reduce the incidence of pilferages. We worked with our industry regulators on events such as safe driving campaigns and road safety competitions. Our staff also participated in other safety related activities such as fire drills and defensive driving for the drivers.

Corporate Sustainability Report 2015

cont'd

THE WORKPLACE *cont'd*

Safety and Security

We are committed to maintain a workplace that is free from theft, violence, harassment, intimidation and other unsafe and disruptive elements due to internal or external conditions. Security cameras are placed in strategic locations to deter such disruptive forces. We also employ external security force to provide 24-hour security services for the entire premises.

Recreational Activities

A happy employee is a productive employee. We provide and encourage our employees in sports activities like futsal and bowling. We also set up a library facility whereby employees can have quiet time to read and relax.



THE COMMUNITY

We continue to engage the Community through various social and educational activities. The GDEX Blood Donation Drive, now in its tenth year running, has gained traction among the public and neighbouring companies, as well as among our own staff. Arising from this event, we supply the National Blood Bank with an average of 350 pints of blood every year.

Our Group is always ready to extend a helping hand to victims of natural disasters. For instance, during the East Coast Floods in 2014, we participated in the National Flood Relief programme where GDEX trucks were busy ferrying emergency food and water rations to flood victims.

Corporate Sustainability Report 2015

cont'd



THE COMMUNITY *cont'd*

As part of our social and humanitarian programme, our CSR team conducts annual visits to orphanages, handicapped homes and Orang Asli communities, especially during the festive season to bring some cheer and much needed goods such as foodstuff, toys and educational items to the disadvantaged children.

We also continued our internship programme to provide students with an opportunity to work with GDEX during their semester breaks. Many of the interns have applied for fulltime jobs after their graduation, due to the many opportunities for job advancement within the Group.



THE ENVIRONMENT

On the environment side, we continue to fine-tune and enhance the integration of our ISO 14001:2004 Environmental Management System with our ISO 9001:2008 Quality Management System which enabled us to strengthen our environmental friendly activities in areas of waste disposal and reduction of carbon emissions.

We created a purpose-built waste disposal shed where all petroleum and lubricant wastes are stored and systematically disposed off according to a scheduled waste disposal programme. We also relocated and expanded the area of our workshop so that more vehicles can be maintained, serviced or repaired to ensure maximum efficiency of our vehicle fleet.



We also embarked on a programme to reduce the carbon footprints of our vehicles by replacing the old equipment with catalytic converters that are more fuel-efficient and emits less carbon. We also encourage our drivers to switch off their engines to reduce idling while they are collecting or sending shipments.

We continue to emphasize on our 3R (Reduce, Reuse and Recycle) initiatives which brought significant cost savings in electricity, fuel and stationery.

Corporate Sustainability Report 2015

cont'd

STAKEHOLDER ENGAGEMENT TABLE

STAKEHOLDER	KEY ENGAGEMENT AREA	METHOD OF ENGAGEMENT
MARKETPLACE		
Customers	<ul style="list-style-type: none"> • Service Satisfaction • Innovative Offerings • Security Protection • Customer Service Profit • Personal Data Protection Act 2010 • Goods and Services Tax • Customer Appreciation 	<ul style="list-style-type: none"> • Customer Care Centre • Value Added Services • Enhanced Liability Coverage • Refresh Through Campaigns/ Promotions • Staff awareness through seminar & training • Events Sponsorship (MIA conference, festive customer appreciation)
Suppliers, Vendors & Business Partners	<ul style="list-style-type: none"> • Supplier Evaluation • Integrators Collaboration • Agents & Contractors • Suppliers Code of Conduct 	<ul style="list-style-type: none"> • Compliance with ISO Standards • Yearly Supplier Evaluation • Agent Workshop • Co-load for domestic & international delivery
Government & Regulator	<ul style="list-style-type: none"> • Licensing • Courier Industry Development Plan • Courier Industry Rules & Regulations • Courier Industry Code of Practice 	<ul style="list-style-type: none"> • Seminar/conference • Participation through AMEC with MCMC • Customer Awareness through website, invoicing • Staff awareness through seminar & training
Shareholders & Investors	<ul style="list-style-type: none"> • Responsible Business • Corporate Governance • Shareholders' Interests • Investor Relations 	<ul style="list-style-type: none"> • Annual Report • Announcements to Bursa Malaysia • Annual General Meeting and Extraordinary General Meeting • Dividends, Bonus Issues • Investor Relations Website • Analyst Briefing and Roadshows

Corporate Sustainability Report 2015

cont'd

STAKEHOLDER ENGAGEMENT TABLE *cont'd*

STAKEHOLDER	KEY ENGAGEMENT AREA	METHOD OF ENGAGEMENT
WORKPLACE		
Employee	<ul style="list-style-type: none"> • Human Capital Development • Factory & Office • Health & Wellness • Safety & Security 	<ul style="list-style-type: none"> • Quarterly Newsletter • Weekly Operational Briefings • Training • Teambuilding Activities • Operational Health & Safety Committee • Corporate Events • Staff Interaction Subsidy • Staff Assistance Scheme • Defensive Driving • Fire Drills • Hostel & Accommodation Facility • Shuttle Bus
COMMUNITY		
	<ul style="list-style-type: none"> • CSR Involvement • Education • Community Support & Development • GDEX Foundation 	<ul style="list-style-type: none"> • Internship Programme • Annual Blood Donation • Donation to Orphanage, Orang Asli Community, Old Folks Home • Aid for disaster relief (East Coast flood, Nepal earthquake) • Fund for welfare of the poor, needy and under-privileged & protection of environment
ENVIRONMENT		
	<ul style="list-style-type: none"> • ISO Certifications • Scheduled Waste Disposal • 3R Initiatives (Reduce, Reuse, Recycle) • CO2 Emission 	<ul style="list-style-type: none"> • ISO 9001:2008 (Quality Management System) • ISO 14001:2004 (Environmental Management System) • Proper maintenance of vehicles

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 GDEX Group, with corporate accountability, transparency and integrity.

This statement sets out the manner in which the GDEX 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 GDEX 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 property, plant and equipment
- 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 Managing Director/Group Chief Executive Officer 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 GDEX 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 GDEX 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 GDEX Group 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 GDEX Group 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 GDEX Group, including the appointment of senior management, the implementation of appropriate policies and procedures that govern management conduct, ensure sustainability of the GDEX Group, monitoring of performance and succession planning;
- 7) Commitment to understand and implement appropriate measures to manage key risk factors of the GDEX Group; and
- 8) Reviewing the adequacy and the integrity of the GDEX Group's internal control systems and management information systems.

The Board has delegated certain responsibilities to two (2) committees, namely the Audit and Risk Management Committee and the Combined Nomination and Remuneration Committee which operate 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 are 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 GDEX 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 GDEX Group.

Strategies Promoting Sustainability

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

Corporate Governance Statement

cont'd

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 GDEX 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 GDEX 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 GDEX 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 Board had established the CNRC which has its own terms of reference to govern its responsibilities.

The CNRC 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 CNRC shall consist of at least three (3) 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 when deemed 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 evaluate the candidates’ ability to discharge such responsibilities/functions as expected from an independent non-executive Director.
- 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 GDEX Group, the expectations of the GDEX 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.

Corporate Governance Statement

cont'd

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
Members:	Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
	Liew Heng Heng
	Adi Arman bin Abu Osman

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.

Activities of the CNRC

During the financial year ended 30 June 2015, the activities of the CNRC included the following:

- Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy as stated in the Company's Corporate Governance Statement to ensure compliance.
- Assessed and reviewed the independence and continuing independence of the independent Directors.
- Assessment of the effectiveness and performance of the Board, Directors and Board Committees for the financial year ended 30 June 2015.

This is carried out through a self-assessment document that is completed by each Director and reviewed by the CNRC. Assessment criteria include the following:

- Board Structure
- Board Operation
- Management Relationship
- Board Roles and Responsibilities
- Board Chairman's Role and Responsibilities
- Performance of Board Committee
- Integrity and ethics, contribution of each individual Director including Managing Director/Group Chief Executive Officer
- The mix of skills and experience of each individual Director including the core competencies of the Non-Executive Directors
- Reviewed and assessed the training needs of each Director
- Determined the Directors to stand for re-election and re-appointment at the Annual General Meeting
- Reviewed the character, experience, integrity and competence of Chief Financial Officer to ensure that he has the time to discharge his duties
- Reviewed and recommended the remuneration packages of the Executive Directors

Corporate Governance Statement

cont'd

STRENGTHEN COMPOSITION *cont'd*

Gender Diversity

The Board does not have any gender diversity policies and targets or any set measures to meet any target. Nevertheless, the GDEX 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 GDEX Group effectively.

The aggregate remuneration of the Directors from the Company and its subsidiaries for the financial year ended 30 June 2015 categorized into appropriate components are as follows:

	Executive Directors	Non-Executive Directors
	RM	RM
Remuneration		
- Salaries and other emoluments	660,137	82,960
- Defined contribution plan (EPF)	59,586	-
- Fees	-	118,800
	719,723	201,760

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

Range of Remuneration	Number of Directors	
	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM50,001 – RM100,000	1	1
RM250,001 – RM300,000	-	-
RM300,001 – RM350,000	2	-

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.

Corporate Governance Statement

cont'd

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 monthly 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 (9) years. The CNRC has carried out an evaluation on the reappointment of Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid and Ms Liew Heng Heng who have served on the Board for a cumulative of ten (10) years 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.
- 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 ten (10) years, therefore they understand 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 Ms Liew Heng Heng continue 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 ("Bursa Securities").

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 the GDEX Group effectively. The Board continuously reviews its size and composition, with particular consideration on its impact on the effective functioning of the Board.

Corporate Governance Statement

cont'd

REINFORCE INDEPENDENCE *cont'd*

Appointments to the Board *cont'd*

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-election/Re-appointment of Directors

Encik Adi Arman bin Abu Osman, Mr Woo Keng Leong, Mr Lim Chee Seong and Mr Lim Cheng Sung @ Lim Cheng Sang who are due for retirement, have offered themselves for re-election/re-appointment as Directors of the Company at the forthcoming Twelfth 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-election/re-appointment as Directors of the Company which is to be tabled for shareholders' approval at the forthcoming Twelfth 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.

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 (2) 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.

Corporate Governance Statement

cont'd

REINFORCE INDEPENDENCE *cont'd*

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/Chief Financial Officer
- One (1) Non-Independent Non-Executive Director
- Three (3) Independent Non-Executive Directors

The Board composition complies with Paragraph 15.02 of Main Market Listing Requirements of Bursa Securities which requires that at least two (2) Directors or 1/3 of the Board, whichever is the higher, are independent Directors.

A brief profile of each of the Directors are presented on pages 18 to 21 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 the 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.

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.

Diversity Policy

The Board had adopted the Diversity Policy on 29 September 2015. The purpose of this Diversity Policy is to set out the approach from the Board to promote the diversity in GDEX and its subsidiaries in the GDEX Group. The GDEX Group recognises its talented and diverse workforce as a key competitive advantage. The business success of the GDEX Group is a reflection of the quality and skill of the people. Diversity in this context encompasses differences in ethnicity, gender, language, age, sexual orientation, religion, nationality, cultural, experience and education background or other personal factors, as a means of enhancing the GDEX Group's performance by recognising and utilising contribution of diverse skills and talents from its Directors, officers and employees. The GDEX Group believes that the wide array of perspective that results from such diversity promotes innovation and business success. As such, the experience and education background or other personal factors, as a means of enhancing the GDEX Group is committed to seeking out and retaining the finest human talent to ensure better business growth and performance.

The Board has every intention of meeting the Corporate Governance Blueprint 2011 issued by the Securities Commission on increasing women participation on Boards to reach 30% by 2016. However, the Board believes that to enable the Board to carry out its duties more effectively, it is more important to have the right mix of skills at the Board instead of the percentage itself.

Corporate Governance Statement

cont'd

REINFORCE INDEPENDENCE *cont'd*

Diversity Policy *cont'd*

In line with promoting diversity in the workplace, the Board has established the following procedures:

(i) Recruitment

- All persons with appropriate experience and qualifications will be considered, regardless of age, gender, ethnicity, cultural background or other factors. Same as for the recruitment of new staff or Directors.
- No preference will be given to male applicants for a position, and equal consideration in the recruitment and selection process will also be given to any women applicants with appropriate experience and qualifications.
- For the recruitment of Director or Board member, the CNRC is entrusted by the Board to identify potential candidates by seeking applications from suitably qualified individuals; and/or engaging external consultants that will present diverse candidates.
- The CNRC will evaluate the mix of skills, experience, expertise and diversity of the existing Board to ensure the effectiveness of the Board will improve accordingly. Consideration is also given to fulfilling the balance of independent Directors on the Board.

(ii) Remuneration, Career Development and Promotion

- All employees and Directors are rewarded and promoted on the basis of their Key Performance Indicators (KPI), regardless of age, gender, ethnicity, cultural background or other personal factors.
- Decisions associated with career development and advancement, including promotions, transfers, and other assignments, will meet the needs of the GDEX Group and be determined on skill and merit, regardless of age, gender, ethnicity, cultural background or other personal factors. All managers or head of department are trained in managing diversity to ensure that employees are treated fairly and evaluated objectively.

(iii) Trainings

Internal and external trainings opportunities will be given based on the needs and necessities of the employees and Directors regardless of age, gender, ethnicity, cultural background or other personal factors.

(iv) Workplace Diversity Principles

The GDEX Group is committed to workplace diversity ensuring that the GDEX Group value and respect the differences and that the workplace is fair, accessible, flexible, inclusive and free from discrimination.

It is the responsibility of everyone to promote the workplace diversity, which includes:

- Practicing and promoting behavior consistent with the Code of Conduct of the GDEX Group and the Company;
- Respecting different ways of thinking, using employees' different perspectives to improve and enhance business growth and performance;
- Treat all employees with respect and dignity;
- Strive to create and foster a supportive and understanding environment in which all employees realise their maximum potential within the GDEX Group and the Company, regardless of their differences;
- Recognise that each employees brings their own unique capabilities, experiences and characteristics to their work, and the GDEX Group value such diversity at all levels in all that the GDEX Group do;
- Provide a safe, secure, harmony and healthy workplace;
- Make decisions genuinely based on equity and fairness;
- Take appropriate action to eliminate discrimination.

Corporate Governance Statement

cont'd

REINFORCE INDEPENDENCE *cont'd*

Diversity Policy *cont'd*

(v) Community Programmes, Concerns or Complaints

The GDEX Group recognises that racism, ageism, sexism and other forms of discrimination are problems for the organization and society as a whole. The GDEX Group is committed to tackling cultural stereotypes both within and outside the GDEX Group. The GDEX Group has clear reporting procedures for any type of discrimination or harassment combined with follow-up procedures to prevent future incidents. All complaints with regards to the discrimination or harassment will be treated seriously, and will be investigated accordingly. Confidentiality will be maintained as far as is appropriate and possible, and people will not be victimised in any way for making a complaint, nor for acting as a witness for someone who complains.

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 2015 is set out below:

Directors	Board Meetings	Audit and Risk Management Committee Meetings	Combined Nomination & Remuneration Committee Meetings
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	5/5	5/5	2/2
Teong Teck Lean	5/5	Non Member	Non Member
Lim Cheng Sung @ Lim Cheng Sang	5/5	5/5	2/2
Liew Heng Heng	5/5	5/5	2/2
Adi Arman Bin Abu Osman	5/5	5/5	2/2
Woo Keng Leong (<i>appointed 12 February 2015</i>)	2/2	Non Member	Non Member
Lim Chee Seong (<i>appointed 10 April 2015</i>)	1/1	Non Member	Non Member

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:

- Mandatory Accreditation Programme
- Managing Risk Management Challenges to Deliver Sustainable Performance
- Risk-based Internal Audit
- The Board's Responsibilities on Risk Management
- Briefing on Audit Committee Guidelines
- Risk Management & Internal Control: "An Integrated Assurance On Risk Management And Internal Control – Is Our Line of Defense Adequate And Effective?"

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 Securities at every Board Meeting.

Corporate Governance Statement

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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 GDEX 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 Securities' 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 possess 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 GDEX 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 is 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 GDEX Group and provides reasonable assurance that the GDEX 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 GDEX 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 three (3) years, is tabled to the Audit and Risk Management Committee every year and this three (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 GDEX 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 has 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 Securities.

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 GDEX 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 GDEX 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.

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.

Effective Communication and Proactive Engagement

In maintaining the commitment to effective communication with shareholders, the GDEX 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 GDEX Group also provides additional disclosure of information on a voluntary basis. The GDEX 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.

Corporate Governance Statement

cont'd

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS *cont'd*

Effective Communication and Proactive Engagement *cont'd*

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 GDEX Group. The GDEX 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 GDEX Group. As a listed issuer, the contents and disclosure requirements of the Annual Report are also governed by the Main Market Listing Requirements of Bursa Securities.

All information to shareholders is 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 2015, 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 A REVENUE OR TRADING NATURE

Details of the recurrent related party transactions made during the financial year ended 30 June 2015 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 2015 (RM)
Provision of express delivery services	GD(S) ⁽²⁾	Singpost	Mr Woo Keng Leong ⁽⁴⁾	178,907
Provision of express delivery services	GDSB ⁽¹⁾	QSI(M) ⁽⁵⁾	Singpost ⁽³⁾	1,671,290
Provision of express delivery services	GD(S) ⁽²⁾	QS(S) ⁽⁶⁾	Singpost ⁽³⁾	695,394

Notes :-

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

⁽²⁾ GD(S), GD Express (S) Pte Ltd, a wholly-owned subsidiary of the Company.

⁽³⁾ Singpost, Singapore Post Limited, a substantial shareholder of the Company.

⁽⁴⁾ Mr Woo Keng Leong is the Senior Executive Vice President/Head of Postal Services of Singpost and Corporate Representative of Singpost in the Company.

⁽⁵⁾ QSI(M), Quantum Solutions International (Malaysia) Sdn Bhd, an indirect wholly-owned subsidiary of Singpost.

⁽⁶⁾ QS(S), Quantum Solutions (Singapore) Pte, Ltd, an indirect wholly-owned subsidiary of Singpost.

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

3. SHARE BUY-BACK

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

Additional Compliance Information

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4. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year ended 30 June 2015, a total of 92,114,799 warrants A and 20 warrants B have been exercised and converted to ordinary share capital. As at 12 October 2015, total paid-up share capital of the Company had increased to RM61,816,595.40 comprising 1,236,378,508 ordinary shares of RM0.05 each, with 13,935,959 warrants A and 179,154,914 warrants B 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 2015.

5. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme for the financial year ended 30 June 2015.

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 2015, the amount of non-audit fees paid to the external auditors was RM69,430.

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 2015.

9. PROFIT GUARANTEE

During the financial year ended 30 June 2015, there were no profit guarantees given by the Company.

10. UTILISATION OF PROCEEDS

During the financial year ended 30 June 2015, the Company did not undertake any corporate proposal to raise proceeds.

However, a total of RM16,386,029 as 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 for 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

o Organisation Structure and Authority

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

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*

o Corporate Philosophy

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

o Policies and Procedures

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

o Human Resource

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

o Budget Plan and Budget

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

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

o Insurance and Physical Safeguard

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

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 yearly 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.

Statement on Risk Management and Internal Control

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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 Audit and Risk Management Committee also reviews 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 Company for the financial year ended 30 June 2015 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 29 September 2015.

Audit and Risk Management Committee Report

The Board of Directors of GD Express Carrier Bhd (“the Company”) is pleased to present the report of the Audit and Risk Management Committee for the financial year ended 30 June 2015.

MEMBERSHIP

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

Name	Designation
(i) Liew Heng Heng	<i>Independent Non-Executive Director (Chairperson)</i>
(ii) Dato’ Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	<i>Independent Non-Executive Director (Member)</i>
(iii) Lim Cheng Sung @ Lim Cheng Sang	<i>Independent Non-Executive Director (Member)</i>
(iv) Adi Arman Bin Abu Osman	<i>Independent Non-Executive Director (Member)</i>

TERMS OF REFERENCE

The summary of the terms of reference of the Committee are 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; and
- v. be able to make relevant reports when necessary to the relevant authorities if a breach of the Listing Requirements occurred.

Audit and Risk Management Committee Report

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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*

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

- To consider other topics as defined by the Board of Directors;
- To verify the allocation of Employees' Share Option Scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any; 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 2015, the Committee met five (5) times.

The attendance records of the Committee members are shown on page 47 of the Annual Report.

The activities of the Committee include the following:-

1. Financial Reporting

- (a) reviewed the quarterly and half-yearly 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 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 the 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.

Audit and Risk Management Committee Report

cont'd

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 2015, no Employee 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 four (4) personnel, one (1) Department Head, one (1) executive and two (2) senior officers. This internal audit team is supported by Process Compliance Unit within the Quality Assurance Group and in total that has nine (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 2015 amounted to RM201,548.

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 Corporate Headquarter and 16 branches:
 - (a) Credit Control and Cash Management;
 - (b) Delivery and Pick Up Management;
 - (c) Storage and Security System;
 - (d) Fixed Asset Management ;
 - (e) Accounts Receivables and Payables
 - (f) Management Information System and
 - (g) Human Resource Management
 - (h) Sales and Revenue
 - (i) Logistics and Warehousing Management
 - (j) Linehaul and Transshipment Hub Operation

These 16 branches include Alor Setar, Kepong, Segamat, Kuching, Damansara Perdana, Muar, Melaka, Bahau, Port Klang, Pontian, Shah Alam, Singapore, Parit Buntar, Kuala Lumpur, Sungai Buloh, Petaling Jaya.

3. Reported on the results of internal audit reviews to the Committee on a periodic basis;
4. Followed-up on the implementation of audit recommendations and action plans agreed by the Management;
5. Ensured satisfactory actions taken to address previous internal audit findings.

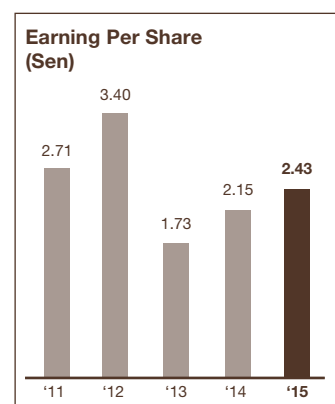
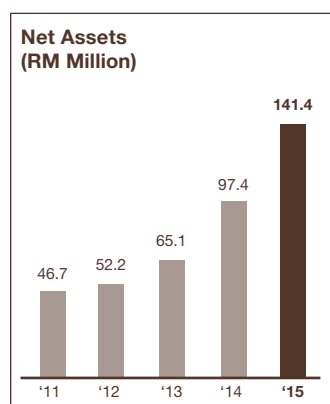
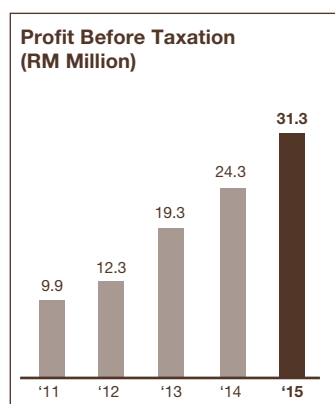
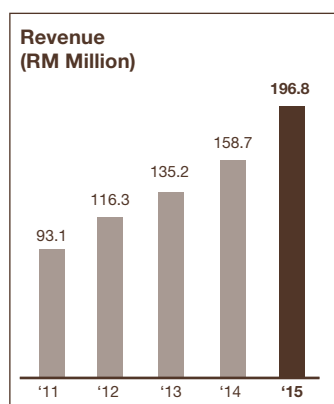
The Committee is pleased to disclose that there were no significant weaknesses identified that would have resulted in any material losses, contingencies or uncertainties to the Group which would require a separate disclosure in the financial statement.

Financial Highlights

	Group year ended 30 June 2015 RM' 000	Group year ended 30 June 2014 RM' 000	Group year ended 30 June 2013 RM' 000	Group year ended 30 June 2012 RM' 000	Group year ended 30 June 2011 RM' 000
Revenue	196,751	158,703	135,154	116,322	93,071
Profit from Operations	31,053	24,580	20,074	13,391	10,350
Profit before tax	31,306	24,272	19,255	12,253	9,862
Profit after tax	28,296	23,385	13,616	8,747	6,976
Return on revenue	14%	15%	10%	8%	7%
Profit attributable to ordinary equity holders	28,296	23,385	13,616	8,747	6,976
Net assets	141,360	97,351	65,071	52,225	46,730
Paid-up capital	61,816	41,935	26,171	25,719	25,719
Shareholders' equity	141,360	97,351	65,071	52,225	46,730
Share information					
(Ordinary shares of RM0.05 each)					
Number of shares in issue ('000)	1,236,328 ⁽¹⁾	838,691 ⁽¹⁾	261,710	257,186	257,186
Basic earnings per share (sen)	2.43 ⁽²⁾	2.15 ⁽²⁾	1.73	3.40	2.71
Diluted earnings per share (sen)	2.39 ⁽²⁾	1.96 ⁽²⁾	1.56	3.05	2.51
Net assets per share (RM)	0.11	0.12	0.25	0.20	0.18
Share price at end of financial year (RM)	1.370 ⁽³⁾	1.628 ⁽³⁾	0.667	1.000	1.010

Notes:

- (1) During the financial year ended 30 June 2015, the Company increased its issued and paid-up ordinary share capital from 838,691,219 ordinary shares of RM0.05 per share to 1,236,328,268 ordinary shares of RM0.05 per share as disclosed in Note 16 to the Financial Statements.
- (2) The effects of Bonus Issue on the number of ordinary shares for the financial year ended 30 June 2015 has been adjusted as if these events had occurred on 1 July 2014, as disclosed in Note 10 to the Financial Statements.
- (3) Adjusted for corporate events to ensure the prices are always comparable across different periods. These events include bonus issue during the financial year ended 30 June 2015.



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 GDEX Group and of the Company as at the financial year end and of the results and cash flows of GDEX Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements of GDEX for the financial year ended 30 June 2015 on pages 79 to 140 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 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 GDEX Group and to prevent and detect fraud and other irregularities.

The auditors' responsibilities are stated in their report to the shareholders on pages 77 to 78.

Statement is made in accordance with the resolution of the Board of Directors dated 29 September 2015.

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

Financial Statements

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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 2015.

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 13 to the Financial Statements.

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

RESULTS OF OPERATIONS

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

	The Group	The Company
	RM	RM
Profit before tax	31,306,481	20,954,185
Income tax expense	(3,010,281)	(241,681)
Profit for the year	28,296,200	20,712,504

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 23 to the Financial Statements, a 22.5% single tier dividend amounting to RM10,070,509 which was proposed in the previous financial year and dealt with in the previous report of the directors was paid by the Company during the financial year. The dividend was paid by way of Dividend Reinvestment Plan ("DRP") amounting to RM9,634,126 and cash amounting to RM436,383.

The directors proposed a 20.0% single tier dividend amounting to approximately RM12.4 million in respect of the financial year ended 30 June 2015. 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.

Report of the Directors

cont'd

ISSUE OF SHARES AND DEBENTURES

As approved by the shareholders at an Extraordinary General Meeting (“EGM”) held on 13 January 2015, the authorised share capital of the Company was increased from RM50,000,000, comprising 1,000,000,000 ordinary shares of RM0.05 each, to RM500,000,000, comprising 10,000,000,000 ordinary shares of RM0.05 each, by the creation of 9,000,000,000 new ordinary shares of RM0.05 each.

During the financial year, the Company increased its issued and paid-up share capital from RM41,934,563, comprising 838,691,219 ordinary shares of RM0.05 each, to RM61,816,413, comprising 1,236,328,268 ordinary shares of RM0.05 each, as follows:

(a) Exercise of Warrants 2011/2016

- (i) Issuance of 57,083,959 new ordinary shares of RM0.05 each pursuant to the exercise of 57,083,959 warrants A at an exercise price of RM0.195 per warrant during the period from 1 July 2014 to 29 January 2015;
- (ii) Issuance of 35,030,840 new ordinary shares of RM0.05 each pursuant to the exercise of 35,030,840 warrants A at an exercise price of RM0.15 per warrant during the period from 30 January 2015 to 30 June 2015.

(b) Exercise of Warrants 2015/2020

Issuance of 20 new ordinary shares of RM0.05 each pursuant to the exercise of 20 warrants B at an exercise price of RM1.53 per warrant during the period from 12 February 2015 to 30 June 2015.

(c) Bonus Issue

Bonus issue of 298,591,204 new ordinary shares of RM0.05 each credited as fully paid-up on the basis of 1 bonus share for every 3 existing ordinary shares held through the capitalisation of RM14,909,264 from share premium and RM20,296 from retained earnings on 5 February 2015. The bonus shares were listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa”) on 6 February 2015.

(d) DRP

The Company via the announcement on 12 January 2015 proposed to undertake a recurrent and optional dividend reinvestment plan that allows the shareholders to reinvest their dividend into new ordinary shares of RM0.05 each in the Company's shares.

The rationale of the DRP are as follows:

- (i) dividends that are reinvested are utilised to fund the continuing business growth and expansion plan, and for working capital of the Group;
- (ii) improve liquidity of the Company's shares traded on the Main Market of Bursa; and
- (iii) enhance and maximise shareholders' value via the subscription of new shares where the issue price of a new share shall be at discount and the subscription shall be free from any brokerage fees and other related transaction cost.

Issuance of 6,931,026 new ordinary shares of RM0.05 each at the issue price of RM1.39 per share pursuant to the DRP on 9 February 2015.

Report of the Directors

cont'd

ISSUE OF SHARES AND DEBENTURES *cont'd*

The new ordinary shares issued rank *pari passu* with the then existing ordinary shares of the Company.

The resulting premium of RM21,067,863 arising from the warrants exercised and shares issued were credited to the share premium account, and RM402,453 out of the share premium was utilised for corporate exercise expenses, as shown in Note 17 to the Financial Statements.

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

WARRANTS 2011/2016

As mentioned in Note 16 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 2011/2016 to the Official List of Bursa and the listing of and quotation for the Warrants 2011/2016 on the Main Market of Bursa. ("Warrants 2011/2016").

The Warrants 2011/2016 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 2011/2016 is on 8 February 2011 and the expiry date is on 7 February 2016.
- (b) The Warrants 2011/2016 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 2011/2016 not exercised during the exercise period will lapse and cease to be valid.
- (c) Each Warrant 2011/2016 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 2011/2016 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.
- (e) The exercise price of Warrants 2011/2016 was subsequently revised from RM0.585 to RM0.2925, RM0.195 and RM0.15 due to share split in prior year, bonus issue in prior year and bonus issue during the financial year.

During the financial year, the Company increased its Warrants 2011/2016 as follows:

- (i) Bonus Issue

Additional 12,254,253 Warrants 2011/2016 arising from the adjustments made in accordance with the provisions under the Deed Poll constituting the Warrants dated 11 January 2011 consequential to the Bonus Issue, which were listed and quoted on the Main Market of Bursa on 5 February 2015.

Report of the Directors

cont'd

WARRANTS 2011/2016 cont'd

The movements in the Company's Warrants 2011/2016 are as follows:

	Number of Warrants 2011/2016
At beginning of year	93,846,745
Exercised before bonus issue	(57,083,959)
	36,762,786
Bonus issue	12,254,253
Exercised after bonus issue	(35,030,840)
At end of year	13,986,199

WARRANTS 2015/2020

As mentioned in Note 16 to the Financial Statements, on 12 February 2015, the issue of 179,154,934 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 and the listing of and quotation for the warrants 2015/2020 on the Main Market of Bursa. ("Warrants 2015/2020").

The Warrants 2015/2020 of the Company are constituted by a Deed Poll dated on 20 January 2015.

The salient features of the Warrants 2015/2020 are as follows:

- (a) The issue date of the Warrants 2015/2020 is on 12 February 2015 and the expiry date is on 11 February 2020.
- (b) The Warrants 2015/2020 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 2015/2020 not exercised during the exercise period will lapse and cease to be valid.
- (c) Each Warrant 2015/2020 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 RM1.53 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 2015/2020 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 2015/2020 *cont'd*

The movements in the Company's Warrants 2015/2020 are as follows:

	Number of Warrants 2015/2020
At beginning of year	-
Issued during the year	179,154,934
Exercised during the year	(20)
At end of year	<u>179,154,914</u>

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 profit or loss and other 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.

Report of the Directors

cont'd

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 liabilities 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
Adi Arman bin Abu Osman
Woo Keng Leong (*appointed on 12.2.2015*)
Lim Chee Seong (*appointed on 10.4.2015*)
Dr. Wolfgang Baier (*resigned on 12.2.2015*)
Wong Eng Su (*resigned on 1.4.2015*)

In accordance with Article 91 of the Company's Articles of Association, Mr Woo Keng Leong and Mr Lim Chee Seong retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with Article 104 of the Company's Articles of Association, Encik Adi Arman Bin Abu Osman retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

Mr Lim Cheng Sung @ Lim Cheng Sang, being over seventy years of age, retires at the forthcoming Annual General Meeting. The Board recommends that he be re-appointed as Director in accordance with Section 129(6) of the Companies Act 1965 at the conclusion of the forthcoming Annual General Meeting.

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 RM0.05 each →					
	Balance as of 1.7.2014/ Date of appointment	Bought	Sold/ Transferred	Balance before bonus issue	Bonus issue	Balance after bonus issue
Shares in the Company						
Direct interest						
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	9,377,000	-	-	9,377,000	3,125,666	12,502,666
Teong Teck Lean	3,904,348	1,056,000	-	4,960,348	1,653,449	6,613,797
Liew Heng Heng	756,358	-	-	756,358	252,119	1,008,477
Lim Cheng Sung @ Lim Cheng Sang	3,300,000	-	-	3,300,000	1,100,000	4,400,000
Lim Chee Seong	80,485	-	-	80,485	-	80,485
Indirect interest						
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	9,545,000	-	(200,000)	9,345,000	3,114,998	12,459,998
Teong Teck Lean	346,529,074	20,340,000	-	366,869,074	122,289,690	489,158,764

Report of the Directors

cont'd

DIRECTORS' INTERESTS cont'd

	← Number of ordinary shares of RM0.05 each →				Balance as of 30.6.2015
	Balance after bonus issue	Issued pursuant to DRP	Bought	Sold/ Transferred	
Shares in the Company					
Direct interest					
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	12,502,666	75,892	-	(200,000)	12,378,558
Teong Teck Lean	6,613,797	40,146	3,000,000	-	9,653,943
Liew Heng Heng	1,008,477	6,121	-	-	1,014,598
Lim Cheng Sung @ Lim Cheng Sang	4,400,000	26,000	-	-	4,426,000
Lim Chee Seong	80,485	-	-	-	80,485 #
Indirect interest					
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	12,459,998	75,471	200,000	-	12,735,469 ^
Teong Teck Lean	489,158,764	2,969,262	35,000,000	-	527,128,026 *

Lim Chee Seong was appointed as Director on 10.4.2015 after the events of bonus issue, warrants exercise and DRP.

^ Deemed interest by virtue of his substantial shareholdings in Essem Capital Sdn. Bhd. (2,984,674 ordinary shares) and Essem Corporation Sdn. Bhd. (804,856 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 and children namely, Datin Mardiana Binti Mohamed Zain (8,115,631 ordinary shares), Suffaneena binti Ahmad Sufian (63,333 ordinary shares), Muffadzlee bin Ahmad Sufian (63,333 ordinary shares), Muffriezal bin Ahmad Sufian (50,000 ordinary shares) and Suffrianna binti Ahmad Sufian (50,000 ordinary shares) and in a nominee company (603,642 ordinary shares).

* Deemed interest by virtue of his substantial shareholdings in GDEX Foundation (4,870,073 ordinary shares), his personal and spouse's, Wang Heng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn. Bhd. (369,873,773 ordinary shares) and GD Holdings International Limited (152,384,180 ordinary shares) pursuant to Section 6(A)(4) of the Companies Act, 1965.

Report of the Directors

cont'd

DIRECTORS' INTERESTS cont'd

	← Number of Warrants 2011/2016 over ordinary shares of RM0.05 each →						Balance as of 30.6.2015
	Balance as of 1.7.2015	Exercised	Balance before bonus issue	Bonus issue	Balance after bonus issue	Exercised	
Warrants 2011/2016 in the Company							
Direct interest							
Teong Teck Lean	22,500	-	22,500	7,500	30,000	-	30,000
Indirect interest							
Teong Teck Lean	55,800,897	(20,340,000)	35,460,897	11,820,299	47,281,196	(35,000,000)	12,281,196 *

* Deemed interest by virtue of his personal and spouse's, Wang Herng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn. Bhd. (12,281,196 warrants) pursuant to Section 6(A)(4) of the Companies Act, 1965.

Consequential to the Bonus Issue on 5 February 2015, the adjustments to the exercise price and number of outstanding warrants were made in accordance with the provisions under the Deed Poll constituting the warrants dated 11 January 2011.

Report of the Directors

cont'd

DIRECTORS' INTERESTS cont'd

← Number of Warrants 2015/2020 over ordinary shares of RM0.05 each →

	Balance as of 1.7.2014/ Date of appointment	Bonus issue	Bought	Exercised	Balance as of 30.6.2015
Warrants B in the Company					
Direct interest					
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	-	1,875,400	-	-	1,875,400
Teong Teck Lean	-	992,069	-	-	992,069
Liew Heng Heng	-	151,271	-	-	151,271
Lim Cheng Sung @ Lim Cheng Sang	-	660,000	-	-	660,000
Lim Chee Seong	12,000	-	-	-	12,000 #
Indirect interest					
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	-	1,869,000	-	-	1,869,000 ^
Teong Teck Lean	-	73,373,813	-	-	73,373,813 *

Lim Chee Seong was appointed as Director on 10.4.2015 after the events of bonus issue, warrants exercise and DRP.

^ Deemed interest by virtue of his substantial shareholdings in Essem Capital Sdn. Bhd. (445,000 warrants) and Essem Corporation Sdn. Bhd. (120,000 warrants) pursuant to Section 6(A)(4) of the Companies Act, 1965 and disclosure is made pursuant to Section 134(12)(c) of the Companies Act, 1965 on interest held by his spouse and children namely, Datin Mardiana Binti Mohamed Zain (1,210,000 warrants), Suffaneena binti Ahmad Sufian (2,000 warrants) and Muffadzlee bin Ahmad Sufian (2,000 warrants) and in a nominee company (90,000 warrants).

* Deemed interest by virtue of his substantial shareholdings in GDEX Foundation (726,103 warrants), his personal and spouse's, Wang Heng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn. Bhd. (52,295,624 warrants) and GD Holdings International Limited (20,352,086 warrants) pursuant to Section 6(A)(4) of the Companies Act, 1965.

Consequential to the Bonus Issue on 5 February 2015, the exercise price and number of warrants B were made in accordance with the provisions under the Deed Poll constituting the warrants dated 20 January 2015.

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.

Report of the Directors

cont'd

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 15 to the Financial Statements.

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

EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are disclosed in Note 29 to the Financial Statements.

AUDITORS

The auditors, Messrs. Deloitte, 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

LIM CHEE SEONG

Kuala Lumpur,
29 September 2015

Independent Auditors' Report

to the Members of the 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 2015 and the statements of profit or loss and other 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 79 to 139.

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 2015 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.

Independent Auditors' Report

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;
- (b) we have considered the accounts and auditors' reports of subsidiary companies of which we have not acted as auditors, as shown in Note 13 to the Financial Statements, being accounts that have been included in the financial statements of the Group;
- (c) we are satisfied that the accounts of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and
- (d) the auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 31 on page 140 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa") 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 Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

DELOITTE
AF 0080
Chartered Accountants

WONG KAR CHOON
Partner - 3153/08/16 (J)
Chartered Accountant

29 September 2015

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2015

	Note	The Group		The Company	
		2015 RM	2014 RM	2015 RM	2014 RM
Revenue	6	196,751,424	158,702,731	20,456,012	16,262,000
Other operating income	7	1,648,954	1,077,656	3,154,141	1,130,105
Direct costs	7	(38,212,712)	(33,897,854)	-	-
Staff costs	7	(93,329,781)	(73,789,946)	(938,214)	(649,746)
Depreciation of property, plant and equipment	11	(8,218,536)	(6,481,891)	-	-
Amortisation of prepaid lease payments	12	(500,384)	(500,384)	-	-
Other operating expenses	7	(25,437,450)	(19,453,004)	(1,717,754)	(936,735)
Finance costs	8	(1,395,034)	(1,385,622)	-	-
Profit before tax	7	31,306,481	24,271,686	20,954,185	15,805,624
Income tax expense	9	(3,010,281)	(886,992)	(241,681)	(147,156)
Profit for the year		28,296,200	23,384,694	20,712,504	15,658,468
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		165,415	36,473	-	-
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive income for the year, net of tax		165,415	36,473	-	-
Total comprehensive income for the year		28,461,615	23,421,167	20,712,504	15,658,468
Profit for the year attributable to:					
Owners of the Company		28,296,200	23,384,694	20,712,504	15,658,468
Total comprehensive income attributable to:					
Owners of the Company		28,461,615	23,421,167	20,712,504	15,658,468
Earnings per ordinary share:					
Basic (sen)	10	2.43	2.15		
Diluted (sen)	10	2.39	1.96		

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

Statements of Financial Position

as of 30 June 2015

	Note	The Group		The Company	
		2015 RM	2014 RM	2015 RM	2014 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	45,861,376	35,839,589	-	-
Prepaid lease payments	12	21,216,023	21,716,407	-	-
Investment in subsidiary companies	13	-	-	37,410,604	25,210,604
Total Non-Current Assets		67,077,399	57,555,996	37,410,604	25,210,604
Current Assets					
Inventories - at cost		1,625,810	1,319,798	-	-
Trade receivables	14	49,162,796	32,060,004	-	-
Other receivables and prepaid expenses	14	5,682,497	5,351,640	25,653	27,668
Amount owing by subsidiary companies	15	-	-	17,550,607	15,200,582
Tax recoverable		1,035,944	1,133,021	-	-
Deposits with licensed banks	24	53,333,025	34,372,051	38,223,305	21,996,540
Cash and bank balances	24	11,268,229	7,984,764	5,780,898	212,120
Total Current Assets		122,108,301	82,221,278	61,580,463	37,436,910
Total Assets		189,185,700	139,777,274	98,991,067	62,647,514

Statements of Financial Position

as of 30 June 2015
cont'd

	Note	The Group		The Company	
		2015 RM	2014 RM	2015 RM	2014 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	16	61,816,413	41,934,561	61,816,413	41,934,561
Reserves	17	79,543,405	55,416,449	36,647,935	20,270,090
Total Equity		141,359,818	97,351,010	98,464,348	62,204,651
Non-Current Liabilities					
Hire-purchase payables - non-current portion	18	12,446,967	5,569,117	-	-
Borrowings (secured) - non-current portion	19	11,744,562	15,473,663	-	-
Provision for retirement benefits	20	210,356	112,398	19,035	-
Deferred tax liabilities	21	2,438,981	2,731,779	-	-
Total Non-Current Liabilities		26,840,866	23,886,957	19,035	-
Current Liabilities					
Trade payables	22	3,219,151	4,037,142	-	-
Other payables and accrued expenses	22	13,082,512	9,922,683	375,971	385,916
Amount owing to subsidiary companies	15	-	-	17,368	17,368
Hire-purchase payables - current portion	18	3,891,581	2,741,216	-	-
Borrowings (secured) - current portion	19	646,427	1,507,372	-	-
Tax liabilities		145,345	330,894	114,345	39,579
Total Current Liabilities		20,985,016	18,539,307	507,684	442,863
Total Liabilities		47,825,882	42,426,264	526,719	442,863
Total Equity and Liabilities		189,185,700	139,777,274	98,991,067	62,647,514

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

Statements of Changes in Equity

for the year ended 30 June 2015

The Group	Note(s)	Issued capital RM	Non-distributable reserves		Distributable reserve - Retained earnings RM	Total RM
			Share premium RM	Translation reserve RM		
As of 1 July 2013		26,170,998	2,642,589	(13,055)	36,270,814	65,071,346
Total comprehensive income for the year		-	-	36,473	23,384,694	23,421,167
Arising from warrants exercised	16 & 17	1,685,644	7,458,499	-	-	9,144,143
Arising from bonus issued	16	13,744,507	(9,034,969)	-	(4,709,538)	-
Arising from dividend reinvestment plan	23	333,412	5,565,971	-	(5,899,383)	-
Dividends	23	-	-	-	(285,646)	(285,646)
As of 30 June 2014		41,934,561	6,632,090	23,418	48,760,941	97,351,010
As of 1 July 2014		41,934,561	6,632,090	23,418	48,760,941	97,351,010
Total comprehensive income for the year		-	-	165,415	28,296,200	28,461,615
Arising from warrants exercised	16 & 17	4,605,741	11,780,288	-	-	16,386,029
Arising from bonus issued	16	14,929,560	(14,909,264)	-	(20,296)	-
Arising from dividend reinvestment plan	23	346,551	9,287,575	-	(9,634,126)	-
Dividends	23	-	-	-	(436,383)	(436,383)
Share issue expenses		-	(402,453)	-	-	(402,453)
As of 30 June 2015		61,816,413	12,388,236	188,833	66,966,336	141,359,818

Statements of Changes in Equity

for the year ended 30 June 2015

cont'd

The Company	Note(s)	Issued capital RM	Non- distributable reserve - Share premium RM	Distributable reserve - Retained earnings RM	Total RM
As of 1 July 2013		26,170,998	2,642,589	8,874,099	37,687,686
Total comprehensive income for the year		-	-	15,658,468	15,658,468
Arising from warrants exercised	16 & 17	1,685,644	7,458,499	-	9,144,143
Arising from bonus issued	16	13,744,507	(9,034,969)	(4,709,538)	-
Arising from dividend reinvestment plan	23	333,412	5,565,971	(5,899,383)	-
Dividends	23	-	-	(285,646)	(285,646)
As of 30 June 2014		41,934,561	6,632,090	13,638,000	62,204,651
As of 1 July 2014		41,934,561	6,632,090	13,638,000	62,204,651
Total comprehensive income for the year		-	-	20,712,504	20,712,504
Arising from warrants exercised	16 & 17	4,605,741	11,780,288	-	16,386,029
Arising from bonus issued	16	14,929,560	(14,909,264)	(20,296)	-
Arising from dividend reinvestment plan	23	346,551	9,287,575	(9,634,126)	-
Dividends	23	-	-	(436,383)	(436,383)
Share issue expenses		-	(402,453)	-	(402,453)
As of 30 June 2015		61,816,413	12,388,236	24,259,699	98,464,348

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

Statements of Cash Flows

for the year ended 30 June 2015

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit for the year	28,296,200	23,384,694	20,712,504	15,658,468
Adjustments for:				
Depreciation of property, plant and equipment	8,218,536	6,481,891	-	-
Income tax expense	3,010,281	886,992	241,681	147,156
Finance costs	1,395,034	1,385,622	-	-
Amortisation of prepaid lease payments	500,384	500,384	-	-
Impairment loss on trade receivables, net	301,920	1,014,044	-	-
Provision for retirement benefits	98,650	29,308	19,035	-
Property, plant and equipment written off	29,366	48,271	-	-
Bad debts written off	5,474	-	-	-
Interest income	(1,381,477)	(699,247)	(934,141)	(356,105)
Gain on disposal of property, plant and equipment	(9,358)	(19,418)	-	-
Dividend income from subsidiary company	-	-	(20,456,012)	(16,262,000)
Operating Profit/(Loss) Before Working Capital Changes	40,465,010	33,012,541	(416,933)	(812,481)
(Increase)/Decrease in:				
Inventories	(306,012)	(671,741)	-	-
Trade receivables	(17,424,957)	(3,532,812)	-	-
Other receivables and prepaid expenses	(330,857)	(1,531,202)	2,015	(10,368)
Increase/(Decrease) in:				
Trade payables	(817,991)	684,408	-	-
Other payables and accrued expenses	3,159,829	1,123,406	(9,945)	(126,605)
Cash Generated From/(Used In) Operations	24,745,022	29,084,600	(424,863)	(949,454)
Retirement benefits paid	(1,800)	-	-	-
Income tax refunded	112,014	-	5,078	-
Income tax paid	(3,503,282)	(1,753,445)	(171,993)	(127,859)
Net Cash From/(Used In) Operating Activities	21,351,954	27,331,155	(591,778)	(1,077,313)

Statements of Cash Flows

for the year ended 30 June 2015

cont'd

	Note	The Group		The Company	
		2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Dividends received		-	-	5,706,012	16,262,000
Additions to property, plant and equipment *		(7,010,388)	(4,206,932)	-	-
Proceeds from disposal of property, plant and equipment		38,214	30,414	-	-
Interest received		1,381,477	699,247	934,141	356,105
(Increase)/Decrease in fixed deposits with licensed banks		(14,496,696)	(6,821,159)	(16,008,843)	202,570
Decrease/(Increase) in amount owing by subsidiary companies		-	-	199,975	(8,587,230)
Net Cash (Used In)/From Investing Activities		(20,087,393)	(10,298,430)	(9,168,715)	8,233,445
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Repayment of term loan		(3,590,046)	(475,613)	-	-
Net movement in short-term revolving credit		(1,000,000)	(3,500,000)	-	-
Payments of hire-purchase payables		(3,221,286)	(3,157,827)	-	-
Finance costs paid		(1,395,034)	(1,385,622)	-	-
Dividends paid		(436,383)	(285,646)	(436,383)	(285,646)
Proceeds from allotment of shares		15,983,576	9,144,143	15,983,576	9,144,143
Net Cash From Financing Activities		6,340,827	339,435	15,547,193	8,858,497
NET INCREASE IN CASH AND CASH EQUIVALENTS					
		7,605,388	17,372,160	5,786,700	16,014,629
Effect of exchange differences		142,355	26,146	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR					
		23,923,819	6,525,513	16,092,375	77,746
CASH AND CASH EQUIVALENTS AT END OF YEAR					
	24	31,671,562	23,923,819	21,879,075	16,092,375

Statements of Cash Flows

for the year ended 30 June 2015

cont'd

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

	The Group	
	2015	2014
	RM	RM
Purchase of:		
Property, plant and equipment	18,259,888	10,210,286
Financed by:		
Cash payments	7,010,388	4,206,932
Hire-purchase	11,249,500	6,003,354
	18,259,888	10,210,286

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

Notes to the Financial Statements

1. GENERAL INFORMATION

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

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

The principal activities of the subsidiary companies are as disclosed in Note 13 to the Financial Statements.

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

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 29 September 2015.

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 ("MFRS"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act, 1965 in Malaysia.

2.1 Adoption of New and Revised Malaysian Financial Reporting Standards

In the current financial year, the Group and the Company have adopted revised Standards and Amendments issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual periods beginning on or after 1 July 2014 as follows:

Amendments to MFRS 119	Defined Benefit Plants - Employee Contributions
Amendments to MFRSs	Annual Improvements to MFRSs 2010 - 2012 Cycle
Amendments to MFRSs	Annual Improvements to MFRSs 2011 - 2013 Cycle

The adoption of these revised Standards and Amendments has not affected the amounts reported in the financial statements of the Group and of the Company for the current and prior years.

Notes to the Financial Statements

cont'd

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

2.2 Standards and Amendments 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 9	Financial Instruments ²
MFRS 14	Regulatory Deferral Accounts ¹
MFRS 15	Revenue from Contracts with Customers ²
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 and Transition Disclosures ²
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
Amendments to MFRS 101	Disclosure Initiative ¹
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants ¹
Amendments to MFRS 127	Equity Method in Separate Financial Statements ¹
Amendments to MFRSs	Annual Improvements to MFRSs 2012 - 2014 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2018

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group and the Company in the period of initial application except as discussed below:

Notes to the Financial Statements

cont'd

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

2.2 Standards and Amendments in Issue but Not Yet Effective *cont'd*

MFRS 9 Financial Instruments

MFRS 9 (IFRS 9 issued by IASB in July 2014) introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

Key requirements of MFRS 9:

- all recognised financial assets that are within the scope of MFRS 139 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at fair values at the end of subsequent accounting periods. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of equity instruments (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.
- in relation to the impairment of financial assets, MFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under MFRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in MFRS 139. Under MFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors are currently assessing the impact of adoption of MFRS 9 and have not made any accounting policy decision. Thus, the impact of adopting the new MFRS 9 on the Group's annual financial statements cannot be determined now until the process is completed.

Notes to the Financial Statements

cont'd

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

2.2 Standards and Amendments in Issue but Not Yet Effective cont'd

MFRS 15 Revenue from Contracts with Customers

In May 2014, MFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contract with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

The Directors are currently assessing the impact on adoption of MFRS 15 on the amounts reported and disclosures in the financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 15 until the Group completes a detailed review.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies stated below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, leasing transaction that are within the scope of MFRS 117, and measurement that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value-in-use in MFRS 136.

Notes to the Financial Statements

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Basis of Accounting *cont'd*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Notes to the Financial Statements

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES cont'd

Subsidiaries and Basis of Consolidation cont'd

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investment in subsidiaries which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities 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 share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; 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.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Notes to the Financial Statements

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Revenue

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

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

Foreign Currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group 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 recognised at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at 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 translated in RM using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rate at the dates of the transactions are used. 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.

(a) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statements of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Financial Statements

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Income Tax *cont'd*

(b) Deferred Tax

Deferred tax is recognised on temporary 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. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally 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 those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 and the Company intend to settle its current tax assets and liabilities on a net basis.

(c) Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in comprehensive income or directly in equity), in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial 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 estimates 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.

Notes to the Financial Statements

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES cont'd

Impairment of Non-Financial Assets cont'd

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.

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.

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 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:

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

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

Notes to the Financial Statements

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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.

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 obligation (legal or constructive) as a result of past events, 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 assets and financial liabilities 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 instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the Financial Statements

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES cont'd

Financial Instruments cont'd

(a) Financial Assets

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

(i) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all transaction costs and other premiums or discounts) 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 financial asset have been affected.

For financial assets 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.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Notes to the Financial Statements

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *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**

(i) *Classification as Debt or Equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and equity instrument.

(ii) *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 its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

(iii) *Financial Liabilities*

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

(iv) *Other Financial Liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs, and 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, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(v) *Derecognition of Financial Liabilities*

The Group and the Company derecognise financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid or payable is recognised in profit or loss.

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.

Notes to the Financial Statements

cont'd

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 Group has determined the two reportable segments based on reports reviewed by the chief operating decision maker in making its strategic decision.

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

	Group			
	Segment Revenue		Segment Profit/ (Loss)	
	2015 RM	2014 RM	2015 RM	2014 RM
Express delivery	188,401,466	153,694,068	29,167,805	24,480,678
Logistics	8,349,958	5,008,663	3,835,630	2,190,674
Total	196,751,424	158,702,731	33,003,435	26,671,352
Finance costs			(1,395,034)	(1,385,622)
Impairment loss on trade receivables			(301,920)	(1,014,044)
Profit before tax			31,306,481	24,271,686

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	
	2015 RM	2014 RM
Segment Assets		
Express delivery	182,363,614	135,385,635
Logistics	5,786,142	3,258,618
	188,149,756	138,644,253
Unallocated corporate asset		
- Tax recoverable	1,035,944	1,133,021
	189,185,700	139,777,274
Segment Liabilities		
Express delivery	45,035,156	39,241,694
Logistics	206,400	121,897
	45,241,556	39,363,591
Unallocated liabilities		
- Tax liabilities	145,345	330,894
- Deferred tax liabilities	2,438,981	2,731,779
	47,825,882	42,426,264
Other segment information		
Additions to non-current assets		
- Express delivery	17,399,782	10,062,438
- Logistics	860,107	147,848
Depreciation and amortisation		
- Express delivery	8,400,461	6,742,970
- Logistics	318,459	239,305

Notes to the Financial Statements

cont'd

5. SEGMENT REPORTING *cont'd*

Business segments *cont'd*

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

Geographical segments

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

	Revenue by geographical market	
	2015	2014
	RM	RM
Malaysia	194,885,972	157,450,920
Singapore	1,865,452	1,251,811
	<u>196,751,424</u>	<u>158,702,731</u>

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	
	2015	2014
	RM	RM
Malaysia	66,660,286	57,027,831
Singapore	417,113	528,165
	<u>67,077,399</u>	<u>57,555,996</u>

Notes to the Financial Statements

cont'd

6. REVENUE

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Income from provision of express delivery services and logistics	196,751,424	158,702,731	-	-
Single tier dividend income from subsidiary company	-	-	20,456,012	16,262,000
	196,751,424	158,702,731	20,456,012	16,262,000

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	
	2015	2014	2015	2014
	RM	RM	RM	RM
Interest income	1,381,477	699,247	934,141	356,105
Gain on disposal of property, plant and equipment	9,358	19,418	-	-
Realised gain/(loss) on foreign exchange	7,402	(15,879)	-	-
Management fee receivable from subsidiary companies	-	-	2,200,000	774,000
Direct costs:				
Transportation	(37,014,742)	(32,913,394)	-	-
Warehouse charges	(1,197,970)	(984,460)	-	-
Rental of premises	(4,708,237)	(3,598,707)	-	-
Directors' remuneration:				
Fees	(118,800)	(118,800)	(118,800)	(118,800)
Salaries and other emoluments	(743,097)	(895,190)	(743,097)	(194,395)
Employees Provident Fund contributions	(59,586)	(82,665)	(59,586)	(12,036)
Impairment loss on trade receivables	(301,920)	(1,014,044)	-	-
Provision for retirement benefits (Note 20)	(98,650)	(29,308)	(19,035)	-

Notes to the Financial Statements

cont'd

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

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Auditors' remuneration:				
Statutory audit:				
Auditors of the Company	(95,000)	(86,000)	(38,000)	(35,000)
Other auditors	(35,657)	(31,361)	-	-
Special audit	-	(25,000)	-	(25,000)
Others	-	(70,000)	-	(70,000)
Property, plant and equipment written off	(29,366)	(48,271)	-	-
Bad debts written off	(5,474)	-	-	-

Staff costs include salaries, bonuses, contributions to Employees Provident Fund ("EPF") and all other staff related expenses. Contributions to EPF by the Group and the Company during the current financial year amounted to RM7,114,103 and RM179,944 (2014: RM5,980,445 and RM58,323) respectively.

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	
	2015	2014
	RM	RM
Short-term employee benefits	660,137	848,300
Defined contribution plans	59,586	82,665
	719,723	930,965

Notes to the Financial Statements

cont'd

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

Compensation of Key Management Personnel cont'd

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

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Executive Directors:				
Salaries and other emoluments	660,137	848,300	660,137	147,505
Employees Provident Fund contributions	59,586	82,665	59,586	12,036
	719,723	930,965	719,723	159,541
Non-Executive Directors:				
Fees	118,800	118,800	118,800	118,800
Other emoluments	82,960	46,890	82,960	46,890
	201,760	165,690	201,760	165,690
	921,483	1,096,655	921,483	325,231

8. FINANCE COSTS

	The Group	
	2015	2014
	RM	RM
Interest expense on:		
Term loan	679,457	787,784
Hire-purchase	653,367	430,867
Short-term revolving credit	62,210	166,971
	1,395,034	1,385,622

Notes to the Financial Statements

cont'd

9. INCOME TAX EXPENSE

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Estimated tax payable:				
Current year	3,363,804	2,755,668	274,451	147,692
Overprovision in prior years	(60,725)	(2,351,478)	(32,770)	(536)
	3,303,079	404,190	241,681	147,156
Deferred tax (Note 21):				
Current year	491,202	275,802	-	-
(Over)/Underprovision in prior years	(784,000)	207,000	-	-
	(292,798)	482,802	-	-
	3,010,281	886,992	241,681	147,156

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	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit before tax	31,306,481	24,271,686	20,954,185	15,805,624
Tax at tax rate of 25%	7,826,620	6,067,922	5,238,546	3,951,406
Effect of different tax rates	2,055	(16,321)	-	-
Tax effects of:				
Income that are not taxable in determining taxable profit	(346)	(10,263)	(5,114,003)	(4,065,500)
Expenses that are not deductible in determining taxable profit	1,031,538	793,144	149,908	261,786
Tax incentive under pioneer status	(5,004,861)	(3,655,186)	-	-
Utilisation of deferred tax assets previously not recognised	-	(147,826)	-	-
(Over)/Underprovision in prior years:				
Current tax	(60,725)	(2,351,478)	(32,770)	(536)
Deferred tax	(784,000)	207,000	-	-
Income tax expense	3,010,281	886,992	241,681	147,156

Notes to the Financial Statements

cont'd

9. INCOME TAX EXPENSE cont'd

On 24 January 2014, GD Express Sdn. Bhd., a wholly-owned subsidiary of the company, was granted pioneer status for a period of 5 years commencing 26 September 2012 under Promotion of Investments (Promoted Activities and Promoted Products) (Amendment) Order 2005. By virtue of the pioneer status, 70% of the statutory income of the subsidiary company during the pioneer period will be exempted from income tax.

As of 30 June 2015, the cumulative income claimed for tax exemption is approximately RM44.0 million (2014: RM24.0 million) which, subject to agreement of the tax authorities and the availability of profit for the declaration of dividends, is available for the distribution of dividends to the shareholders.

Malaysian income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated taxable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Finance (No. 2) Act 2014 gazetted on 30 December 2014 enacts the reduction of corporate income tax rate from 25% to 24% with effect from year of assessment 2016. Accordingly, the applicable tax rates to be used for the measurement of any applicable deferred tax for entities in Malaysia will be the expected rates.

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	
	2015 RM	2014 RM
Profit attributable to owners of the Company	28,296,200	23,384,694
	Number of shares	
	2015	2014
Weighted average number of ordinary shares:		
Ordinary shares at 1 July	872,522,562	362,412,455
Effect of share split	-	360,231,641 *
Effect of bonus issue	290,338,468	360,244,188 *
Effect of DRP	2,684,821	3,834,844 *
	1,165,545,851	1,086,723,128
Basic earnings per ordinary share (sen)	2.43	2.15

Notes:

* The effect of the Bonus Issue on the number of ordinary shares for the financial year ended 30 June 2014 has been adjusted as if these events had occurred on 1 July 2013.

Notes to the Financial Statements

cont'd

10. EARNINGS PER ORDINARY SHARE *cont'd*

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	
	2015	2014
	RM	RM
Profit attributable to owners of the Company	28,296,200	23,384,694
	Number of shares	
	2015	2014
Weighted average number of ordinary shares	1,165,545,851	1,086,723,128
Effect of dilution:		
Warrants	16,323,568	105,972,574
Adjusted weighted average number of ordinary shares	1,181,869,419	1,192,695,702
Diluted earnings per share (sen)	2.39	1.96

Notes to the Financial Statements

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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 2013	6,451,732	9,775,629	12,430,584	4,933,561	31,233,314	7,001,268	71,826,088
Additions	-	1,341,017	453,283	236,224	7,133,703	1,046,059	10,210,286
Disposals	-	(43,183)	(6,920)	(600)	(71,700)	-	(122,403)
Written off	-	(104,837)	(4,300,000)	(3,121)	(64,976)	(600)	(4,473,534)
Exchange differences	-	956	148	57	22,910	-	24,071
As of 30 June 2014/ 1 July 2014	6,451,732	10,969,582	8,577,095	5,166,121	38,253,251	8,046,727	77,464,508
Additions	-	1,522,198	1,304,950	1,180,386	12,642,894	1,609,461	18,259,889
Disposals	-	(4,450)	(28,350)	-	(88,945)	-	(121,745)
Written off	-	(329,227)	-	(25,953)	(116,475)	-	(471,655)
Exchange differences	-	6,113	617	-	95,679	16,486	118,895
As of 30 June 2015	6,451,732	12,164,216	9,854,312	6,320,554	50,786,404	9,672,674	95,249,892
Accumulated Depreciation							
As of 1 July 2013	432,936	4,404,884	10,424,683	1,713,795	17,663,531	5,026,374	39,666,203
Charge for the year	130,252	1,051,180	763,441	569,621	3,208,241	759,156	6,481,891
Disposals	-	(38,260)	(1,428)	(20)	(71,699)	-	(111,407)
Written off	-	(79,064)	(4,299,999)	(3,166)	(43,014)	(20)	(4,425,263)
Exchange differences	-	591	147	40	13,139	(422)	13,495
As of 30 June 2014/ 1 July 2014	563,188	5,339,331	6,886,844	2,280,270	20,770,198	5,785,088	41,624,919
Charge for the year	130,252	1,166,203	888,559	598,035	4,345,498	1,089,989	8,218,536
Disposals	-	(2,963)	(2,251)	-	(87,675)	-	(92,889)
Written off	-	(301,443)	-	(25,142)	(115,704)	-	(442,289)
Exchange differences	-	5,976	618	(2,251)	70,012	5,884	80,239
As of 30 June 2015	693,440	6,207,104	7,773,770	2,850,912	24,982,329	6,880,961	49,388,516
Net Book Value							
As of 30 June 2015	5,758,292	5,957,112	2,080,542	3,469,642	25,804,075	2,791,713	45,861,376
As of 30 June 2014	5,888,544	5,630,251	1,690,251	2,885,851	17,483,053	2,261,639	35,839,589

Notes to the Financial Statements

cont'd

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

Included in property, plant and equipment of the Group are motor vehicles under hire-purchase arrangements with net book value of approximately RM12,496,000 (2014: RM12,200,000). These motor vehicles have been charged to local licensed banks for hire-purchase obligations as disclosed in Note 18.

As of 30 June 2015, the building of the Group with net book value amounting to RM5,758,291 (2014: RM5,888,543) 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 19.

Included in the cost of property, plant and equipment of the Group is an amount of RM22,298,672 (2014: RM18,207,131) representing fully depreciated property, plant and equipment which are still in use by the Group.

12. PREPAID LEASE PAYMENTS

	Long-term leasehold land The Group RM
Cost:	
As of 1 July 2013 and 30 June 2014/1 July 2014 and 30 June 2015	24,018,414
Cumulative Amortisation:	
As of 1 July 2013	(1,801,623)
Amortisation for the year	(500,384)
As of 30 June 2014/1 July 2014	(2,302,007)
Amortisation for the year	(500,384)
As of 30 June 2015	(2,802,391)
Unamortised Prepaid Lease Payments:	
As of 30 June 2015	21,216,023
As of 30 June 2014	21,716,407

Prepaid lease payments relate to:

- (i) Lease of land for the Group's factory building at No. 19, and lease of vacant land at No.21 for car park purposes, located at Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia. These lands were amalgamated under the new land title at Lot No. PT43, Seksyen 20, which was issued on 27 August 2014. The amalgamated leasehold land 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 amalgamated leasehold land is amortised over the period of its remaining lease term of 41 years (2014: Land No.19: 42 years and Land No.21: 43 years).

Notes to the Financial Statements

cont'd

12. PREPAID LEASE PAYMENTS cont'd

Prepaid lease payments relate to: cont'd

- (ii) 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 43 years (2014: 44 years).

As of 30 June 2015, 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 19.

13. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2015 RM	2014 RM
Unquoted shares - at cost	37,854,881	25,654,881
Less: Impairment loss	(444,277)	(444,277)
Net	37,410,604	25,210,604

During the current financial year, the Company increased its investment in GD Express Sdn Bhd by subscribing 12,200,000 new ordinary shares of RM1.00 each at par by way of capitalisation of amount owing by GD Express Sdn Bhd.

Details of the subsidiary companies are as follows:

Direct Subsidiary Companies	Country of Incorporation	Proportion of ownership interest and voting power held by the Group		Principal Activities
		2015 %	2014 %	
GD Express Sdn. Bhd.	Malaysia	100	100	Provision of express delivery services
GD Venture (M) Sdn. Bhd.	Malaysia	100	100	Provision of transportation services to related company
GD Technosystem Sdn. Bhd.	Malaysia	100	100	Rental of computer equipment to related company

Notes to the Financial Statements

cont'd

13. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

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

Direct Subsidiary Companies	Country of Incorporation	Proportion of ownership interest and voting power held by the Group		Principal Activities
		2015 %	2014 %	
GD Express (Singapore) Pte. Ltd. *	Singapore	100	100	Provision of express delivery services
GD Logistics (M) Sdn. Bhd. *	Malaysia	100	100	Engaged in logistics operations
GD Facilities & Assets Management Sdn. Bhd. *	Malaysia	100	100	Provision of facilities and assets management services
GDEX Regional Alliance Pte. Ltd. *	Singapore	100	100	Dormant
GD Valueguard Sdn. Bhd. *	Malaysia	100	100	Provision of insurance services
Indirect subsidiary companies held through GD Logistics (M) Sdn. Bhd.				
GD Secured Solutions Sdn. Bhd. *	Malaysia	100	100	Engaged in logistics operations
GD Distribution Services Sdn. Bhd. *	Malaysia	100	100	Engaged in logistics operations
GD Customised Solution Sdn. Bhd. *	Malaysia	100	100	Engaged in logistics operations

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

Notes to the Financial Statements

cont'd

13. INVESTMENT IN SUBSIDIARY COMPANIES cont'd

Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activities	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2015	2014
Express Delivery	Malaysia	5	5
	Singapore	2	2
Logistics	Malaysia	4	4
		11	11

Amount owing by/(to) subsidiary companies, which arose mainly from management fees receivable and dividends receivables as disclosed in Note 15, unsecured advances and payments on behalf, is interest-free and repayable on demand.

Related party transactions with subsidiary companies are disclosed in Note 15.

14. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables consist of:

	The Group	
	2015 RM	2014 RM
Trade receivables	51,275,814	33,856,331
Less: Allowance for impairment	(2,113,018)	(1,796,327)
Net	49,162,796	32,060,004

The currency exposure profile of trade receivables is as follows:

	The Group	
	2015 RM	2014 RM
Ringgit Malaysia	50,083,195	33,286,499
Singapore Dollar	1,192,619	569,832
	51,275,814	33,856,331

Notes to the Financial Statements

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

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 (2014: 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.

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

	The Group	
	2015	2014
	RM	RM
31 - 60 days	8,189,365	10,001,847
61 - 90 days	4,925,795	3,515,773
> 90 days	4,204,490	2,428,036
Total	17,319,650	15,945,656

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

	The Group	
	2015	2014
	RM	RM
At beginning of year	1,796,327	1,305,272
Amount recognised during the year	325,218	1,014,044
Impairment losses reversed during the year	(23,298)	-
Net (Note 7)	301,920	1,014,044
Amount written off during the year	-	(525,154)
Translation differences	14,771	2,165
At end of year	2,113,018	1,796,327

Included in trade receivables is an amount of RM15,514 (2014: RM71,583) owing by related parties, which is interest free, and repayable on demand.

Notes to the Financial Statements

cont'd

14. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES cont'd

Other receivables and prepaid expenses consist of:

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Refundable deposits	2,774,986	2,621,675	200	13,160
Prepaid expenses	2,561,970	2,573,918	25,453	14,508
Other receivables	345,541	156,047	-	-
	5,682,497	5,351,640	25,653	27,668

The currency exposure profile of other receivables is as follows:

	The Group	
	2015	2014
	RM	RM
Ringgit Malaysia	323,225	62,003
Singapore Dollar	22,316	94,044
	345,541	156,047

15. RELATED PARTY TRANSACTIONS

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, a director of the Company, is also a director and has substantial financial interest.
GD Solutions (M) Sdn. Bhd.	A company in which Mr. Teong Teck Lean, a director of the Company, is also a director and has substantial financial interest.
Singapore Post Limited	A substantial shareholder of GD Express Carrier Berhad.

Notes to the Financial Statements

cont'd

15. RELATED PARTY TRANSACTIONS *cont'd*

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

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
With related parties,				
GDX Private Limited				
Software license fee	-	(539,312)	-	-
Singapore Post Limited				
Express delivery services	178,907	349,925	-	-
Express delivery services	(72,511)	-	-	-
With subsidiary companies,				
GD Venture (M) Sdn. Bhd.				
Management fee	-	-	555,000	144,000
GD Express Sdn. Bhd.				
Management fee	-	-	843,600	337,500
Dividends	-	-	20,456,012	16,262,000
GD Facilities & Assets Management Sdn. Bhd.				
Management fee	-	-	266,400	99,000
GD Technosystem Sdn. Bhd.				
Management fee	-	-	-	54,000
GD Valueguard Sdn. Bhd.				
Management fee	-	-	111,000	36,000
GD Logistics Sdn. Bhd.				
Management fee	-	-	444,000	103,500

Notes to the Financial Statements

cont'd

16. ISSUED CAPITAL

	The Group and The Company			
	Number of ordinary shares		Amount	
	2015	2014	2015 RM	2014 RM
Authorised:				
At beginning of year	1,000,000,000	500,000,000	50,000,000	50,000,000
Created during the year	9,000,000,000	-	450,000,000	-
Subdivided during the year pursuant to share split to RM0.05 each	-	500,000,000	-	-
At end of year	10,000,000,000	1,000,000,000	500,000,000	50,000,000
Issued and fully paid:				
At beginning of year	838,691,219	261,709,983	41,934,561	26,170,998
Allotment of shares pursuant to:				
- warrants exercised over ordinary shares of RM0.10 each	-	13,161,945	-	1,316,195
- share split to RM0.05 each	-	274,871,928	-	-
- Warrants 2011/2016 exercised over ordinary shares of RM0.05 each	92,114,799	7,388,985	4,605,740	369,449
- Warrants 2015/2020 exercised over ordinary shares of RM0.05 each	20	-	1	-
- bonus issued of RM0.05 each	298,591,204	274,890,147	14,929,560	13,744,507
- DRP at RM0.05 each	6,931,026	6,668,231	346,551	333,412
At end of year	1,236,328,268	838,691,219	61,816,413	41,934,561

Ordinary Shares

As approved by the shareholders at an Extraordinary General Meeting ("EGM") held on 13 January 2015, the authorised share capital of the Company was increased from RM50,000,000, comprising 1,000,000,000 ordinary shares of RM0.05 each, to RM500,000,000, comprising 10,000,000,000 ordinary shares of RM0.05 each, by the creation of 9,000,000,000 new ordinary shares of RM0.05 each.

Notes to the Financial Statements

cont'd

16. ISSUED CAPITAL *cont'd*

During the financial year, the Company increased its issued and paid-up share capital from RM41,934,563, comprising 838,691,219 ordinary shares of RM0.05, each to RM61,816,413, comprising 1,236,328,268 ordinary shares of RM0.05 each, as follows:

(a) Exercise of Warrants 2011/2016

- (i) Issuance of 57,083,959 new ordinary shares of RM0.05 each pursuant to the exercise of 57,083,959 warrants A at an exercise price of RM0.195 per warrant during the period from 1 July 2014 to 29 January 2015;
- (ii) Issuance of 35,030,840 new ordinary shares of RM0.05 each pursuant to the exercise of 35,030,840 warrants A at an exercise price of RM0.15 per warrant during the period from 30 January 2015 to 30 June 2015.

(b) Exercise of Warrants 2015/2020

Issuance of 20 new ordinary shares of RM0.05 each pursuant to the exercise of 20 warrants B at an exercise price of RM1.53 per warrant during the period from 12 February 2015 to 30 June 2015.

(c) Bonus Issue

Bonus issue of 298,591,204 new ordinary shares of RM0.05 each credited as fully paid-up on the basis of 1 bonus share for every 3 existing ordinary shares held through the capitalisation of RM14,909,264 from share premium and RM20,296 from retained earnings on 5 February 2015. The bonus shares were listed on the Main Market of Bursa on 6 February 2015.

(d) DRP

The Company via the announcement on 12 January 2015 proposed to undertake a recurrent and optional dividend reinvestment plan that allows the shareholders to reinvest their dividend into new ordinary shares of RM0.05 each in the Company's shares.

The rationale of the DRP are as follows:

- (i) dividends that are reinvested are utilised to fund the continuing business growth and expansion plan, and for working capital of the Group;
- (ii) improve liquidity of the Company's shares traded on the Main Market of Bursa; and
- (iii) enhance and maximise shareholders' value via the subscription of new shares where the issue price of a new share shall be at discount and the subscription shall be free from any brokerage fees and other related transaction cost.

Issuance of 6,931,026 new ordinary shares of RM0.05 each at the issue price of RM1.39 per share pursuant to the DRP on 9 February 2015.

Notes to the Financial Statements

cont'd

16. ISSUED CAPITAL cont'd

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The resulting premium of RM21,067,863 arising from the warrants exercised and shares issued were credited to the share premium account, and RM402,453 out of the share premium was utilised for corporate exercise expenses, as shown in Note 17 to the Financial Statements.

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

WARRANTS 2011/2016

On 8 February 2011, the issue of 51,437,207 free warrants on the basis of 1 free warrant for every 5 ordinary shares held by the entitled shareholders on the entitlement date was completed upon admission of the Warrants 2011/2016 to the Official List of Bursa and the listing of and quotation for the Warrants 2011/2016 on the Main Market of Bursa.

The Warrants 2011/2016 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 2011/2016 is on 8 February 2011 and the expiry date is on 7 February 2016.
- (b) The Warrants 2011/2016 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 2011/2016 not exercised during the exercise period will lapse and cease to be valid.
- (c) Each Warrant 2011/2016 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 2011/2016 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.
- (e) The exercise price of Warrants 2011/2016 was subsequently revised from RM0.585 to RM0.2925, RM0.195 and RM0.15 due to share split in prior year, bonus issue in prior year and bonus issue during the financial year.

During the financial year, the Company increased its Warrants 2011/2016 as follows:

(i) Bonus Issue

Additional 12,254,253 Warrants 2011/2016 arising from the adjustments made in accordance with the provisions under the Deed Poll constituting the Warrants dated 11 January 2011 consequential to the Bonus Issue, which were listed and quoted on the Main Market of Bursa on 5 February 2015.

Notes to the Financial Statements

cont'd

16. ISSUED CAPITAL cont'd

During the financial year, the Company increased its Warrants 2011/2016 as follows: cont'd

(i) Bonus Issue cont'd

The movements in the Company's Warrants 2011/2016 are as follows:

	Number of warrants 2011/2016 over ordinary shares			
	Par value of shares	2015	Par value of shares	2014
At beginning of year	0.05	93,846,745	0.10	46,913,262
Exercised before share split	0.05	-	0.10	(13,161,945)
		93,846,745		33,751,317
Share split	0.05	-	0.05	33,751,317
Exercised before bonus issue	0.05	(57,083,959)	0.05	(36,440)
Bonus issue	0.05	12,254,253	0.05	33,733,096
Exercised after bonus issue	0.05	(35,030,840)	0.05	(7,352,545)
		(79,860,546)		60,095,428
At end of year	0.05	13,986,199	0.05	93,846,745

WARRANTS 2015/2020

On 12 February 2015, the issue of 179,154,934 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 and the listing of and quotation for the warrants 2015/2020 on the Main Market of Bursa.

The Warrants 2015/2020 of the Company are constituted by a Deed Poll dated on 20 January 2015.

The salient features of the Warrants 2015/2020 are as follows:

- The issue date of the Warrants 2015/2020 is on 12 February 2015 and the expiry date is on 11 February 2020.
- The Warrants 2015/2020 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 2015/2020 not exercised during the exercise period will lapse and cease to be valid.
- Each Warrant 2015/2020 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 RM1.53 based on a premium of up to 10% to the five-day volume weighted average market price prior to the price fixing date.

Notes to the Financial Statements

cont'd

16. ISSUED CAPITAL cont'd

WARRANTS 2015/2020 cont'd

The salient features of the Warrants 2015/2020 are as follows: cont'd

- (d) The new ordinary shares arising from the exercise of the Warrants 2015/2020 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 2015/2020 are as follows:

	Par value of shares	Number of Warrants 2015/2020
At beginning of year		-
Issued during the year	0.05	179,154,934
Exercised during the year	0.05	(20)
At end of year	0.05	<u>179,154,914</u>

On 9 February 2015, the Group proposed to undertake an approved Private Placement of not more than 10 percent (10%) of the issued and paid-up share capital. The implementation of the Private Placement is not completed as of 30 June 2015.

17. RESERVES

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Non-distributable:				
Share premium	12,388,236	6,632,090	12,388,236	6,632,090
Translation reserve	188,833	23,418	-	-
	<u>12,577,069</u>	<u>6,655,508</u>	<u>12,388,236</u>	<u>6,632,090</u>
Distributable:				
Retained earnings	66,966,336	48,760,941	24,259,699	13,638,000
	<u>79,543,405</u>	<u>55,416,449</u>	<u>36,647,935</u>	<u>20,270,090</u>

Notes to the Financial Statements

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17. RESERVES *cont'd*

Share premium

	The Group and The Company	
	2015	2014
	RM	RM
At beginning of year	6,632,090	2,642,589
Warrants exercised (before bonus issue) (Note 16)	8,277,174	6,392,380
Bonus issue (Note 16)	(14,909,264)	(9,034,969)
	-	-
Warrants exercised (after bonus issue) (Note 16)	3,503,114	1,066,119
Share issue expenses	(402,453)	-
DRP (Note 16)	9,287,575	5,565,971
At end of year	12,388,236	6,632,090

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.

Retained earnings

Distributable reserves are those available for distribution as cash dividends.

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

18. HIRE-PURCHASE PAYABLES

	The Group	
	2015	2014
	RM	RM
Total outstanding	18,221,631	9,235,998
Less: Interest-in-suspense	(1,883,083)	(925,665)
Principal outstanding	16,338,548	8,310,333
Less: Amount due within 12 months (shown under current liabilities)	(3,891,581)	(2,741,216)
Non-current portion	12,446,967	5,569,117

Notes to the Financial Statements

cont'd

18. HIRE-PURCHASE PAYABLES cont'd

The non-current portion is payable as follows:

	The Group	
	2015	2014
	RM	RM
Within 1 - 2 years	3,970,103	2,085,503
Within 2 - 5 years	8,476,864	3,483,614
	12,446,967	5,569,117

The interest rates implicit in these hire-purchase obligations range from 2.83% to 7.18% (2014: 2.88% to 7.21%) per annum. The hire-purchase payables are secured by a charge over the assets under hire-purchase as disclosed in Note 11.

19. BORROWINGS - SECURED

	The Group	
	2015	2014
	RM	RM
Term loan	12,390,989	15,981,035
Short-term revolving credit	-	1,000,000
	12,390,989	16,981,035
Less: Amount due within 12 months (shown under current liabilities)	(646,427)	(1,507,372)
Non-current portion	11,744,562	15,473,663

The non-current portion is repayable as follows:

	The Group	
	2015	2014
	RM	RM
Within 1 - 2 years	680,176	532,269
Within 2 - 5 years	2,261,111	1,758,707
More than 5 years	8,803,275	13,182,687
	11,744,562	15,473,663

Notes to the Financial Statements

cont'd

19. BORROWINGS - SECURED *cont'd*

(a) RM17.68 million term loan

The term loan average interest rate was 4.85% (2014: 4.85%) per annum and is repayable over 20 years by monthly instalment of RM105,283.

(b) RM20.0 million short-term revolving credit

The short-term revolving credit average interest rate was 5.04% to 5.10% (2014: 4.85% to 5.06%) per annum.

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

As of 30 June 2015, the Group has term loan and banking facilities totalling RM37,680,000 (2014: RM37,680,000) obtained from local licensed banks.

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) Facilities agreement of RM17.68 million;
- (d) Legal assignment of rental proceeds is to be created over the buildings and leasehold land of certain subsidiary companies as disclosed in Notes 11 and 12 respectively;
- (e) Specific debenture over land (i) as disclosed in Note 12; and
- (f) Fixed deposits of subsidiary companies amounting to RM61,579 (2014: RM58,800).

20. PROVISION FOR RETIREMENT BENEFITS

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
At beginning of year	112,398	82,841	-	-
Charge to profit or loss (Note 7)	98,650	29,308	19,035	-
Translation adjustment	1,108	249	-	-
Benefits paid	(1,800)	-	-	-
At end of year	210,356	112,398	19,035	-

Notes to the Financial Statements

cont'd

20. PROVISION FOR RETIREMENT BENEFITS cont'd

Under this scheme, eligible employees on attainment of retirement age of 60, 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.

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

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Discount rate	5.00%	6.00%	5.00%	-
Monthly average staff turnover rate	5.00%	4.00%	5.00%	-

21. DEFERRED TAX LIABILITIES

	The Group	
	2015	2014
	RM	RM
At beginning of year	(2,731,779)	(2,248,977)
Credit/(Charge) to profit or loss (Note 9):		
Property, plant and equipment	564,898	(580,172)
Trade receivables	(259,170)	89,970
Provision for retirement benefits	(12,930)	7,400
	292,798	(482,802)
At end of year	(2,438,981)	(2,731,779)

Notes to the Financial Statements

cont'd

21. 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	
	2015	2014
	RM	RM
Deferred tax assets (before offsetting):		
Temporary differences arising from:		
Trade receivables	133,000	392,170
Provision for retirement benefits	12,440	25,370
	145,440	417,540
Offsetting	(145,440)	(417,540)
Deferred tax assets (after offsetting)	-	-
Deferred tax liabilities (before offsetting):		
Temporary differences arising from property, plant and equipment	(2,584,421)	(3,149,319)
Offsetting	145,440	417,540
Deferred tax liabilities (after offsetting)	(2,438,981)	(2,731,779)

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 and unused tax losses can be utilised. As of 30 June 2015, the unused tax losses 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	
	2015	2014
	RM	RM
Unused tax losses	63,500	63,500

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

Notes to the Financial Statements

cont'd

22. 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 (2014: 30 days).

The currency exposure profile of trade payables is as follows:

	The Group	
	2015 RM	2014 RM
Ringgit Malaysia	3,117,225	4,023,152
Singapore Dollar	101,926	13,990
	3,219,151	4,037,142

Included in trade payables is an amount of RM76,888 (2014: RMNil) owing to related parties, which is interest free, and repayable on demand.

Other payables and accrued expenses consist of:

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Other payables	3,625,335	2,130,636	116,777	65,180
Accrued expenses	4,437,763	2,930,802	248,357	320,736
Accrued staff costs	3,742,864	3,255,832	-	-
Service tax payable	536,072	1,605,413	-	-
Goods and services tax payable	740,478	-	10,837	-
	13,082,512	9,922,683	375,971	385,916

Included in accrued expenses of the Group is an amount of RM648,000 (2014: RM85,000) representing accrued transportation costs.

Notes to the Financial Statements

cont'd

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

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

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Ringgit Malaysia	12,809,599	9,750,671	375,971	385,916
Singapore Dollar	272,913	172,012	-	-
	13,082,512	9,922,683	375,971	385,916

23. DIVIDENDS

	The Group and The Company	
	2015 RM	2014 RM
In respect of financial year ended 30 June 2014:		
22.5% single tier dividend:		
DRP	9,634,126	-
Cash	436,383	-
In respect of financial year ended 30 June 2013:		
22.5% single tier dividend:		
DRP	-	5,899,383
Cash	-	285,646
	10,070,509	6,185,029

The 22.5% single tier dividend amounting to RM10,070,509 which was proposed in the previous financial year and dealt with in the previous report of the directors was paid by the Company during the financial year. The dividend was paid by way of DRP amounting to RM9,634,126 and cash amounting to RM436,383.

The directors proposed a 20.0% single tier dividend amounting to approximately RM12.4 million in respect of the financial year ended 30 June 2015. 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.

Notes to the Financial Statements

cont'd

24. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Deposits with licensed banks	53,333,025	34,372,051	38,223,305	21,996,540
Cash and bank balances	11,268,229	7,984,764	5,780,898	212,120
	64,601,254	42,356,815	44,004,203	22,208,660
Less: Non cash and cash equivalents:				
Deposits with licensed banks with maturity term more than 3 months	(32,929,692)	(18,432,996)	(22,125,128)	(6,116,285)
	31,671,562	23,923,819	21,879,075	16,092,375

Deposits with licensed banks earn interest at rates ranging from 3.0% to 4.2% (2014: 2.6% to 3.8%) per annum. Deposits with licensed banks of the Group and of the Company have an average maturity term of 1 to 12 months (2014: 1 to 12 months).

Deposits with licensed banks of the Company amounting to RMNil (2014: RM300,000) is registered under the name of a subsidiary company which held the deposits in trust for the Company.

The currency exposure profile of cash and bank balances and deposits with the licensed banks are as follows:

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Ringgit Malaysia	64,248,941	41,625,329	44,004,203	22,208,660
Singapore Dollar	352,313	731,486	-	-
	64,601,254	42,356,815	44,004,203	22,208,660

25. 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 18 and 19) and equity of the Group (as disclosed in Notes 16 and 17).

Notes to the Financial Statements

cont'd

25. FINANCIAL INSTRUMENTS *cont'd*

Gearing Ratio

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

	The Group	
	2015 RM	2014 RM
Debt	28,729,537	25,291,368
Equity	141,359,818	97,351,010
Debt to equity ratio (%)	20.32	25.98

Debt consists of secured borrowings and hire-purchase payables. The Company has no interest-bearing borrowing as of the end of the year.

Significant Accounting Policies

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

Categories of Financial Instruments:

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Financial assets				
Loans and receivables:				
Trade and other receivables (Note 14)	52,283,323	34,837,726	200	13,160
Amount owing by subsidiary companies	-	-	17,550,607	15,200,582
Cash and bank balances	11,268,229	7,984,764	5,780,898	212,120
Deposits with licensed banks	53,333,025	34,372,051	38,223,305	21,996,540

Notes to the Financial Statements

cont'd

25. FINANCIAL INSTRUMENTS cont'd

Significant Accounting Policies cont'd

Categories of Financial Instruments: cont'd

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Financial liabilities				
Other financial liabilities at amortised cost:				
Trade and other payables (Note 22)	16,301,663	13,959,825	375,971	385,916
Amount owing to subsidiary companies	-	-	17,368	17,368
Hire-purchase payables (Note 18)	16,338,548	8,310,333	-	-
Borrowings (secured) (Note 19)	12,390,989	16,981,035	-	-
Financial guarantee contracts	-	-	12,390,989	16,981,035

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 Management

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 Management

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 2015.

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

Interest Rate Sensitivity Analysis

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

Notes to the Financial Statements

cont'd

25. FINANCIAL INSTRUMENTS *cont'd*

Interest Rate Sensitivity Analysis *cont'd*

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 RM143,648 (2014: RM126,457). 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. In order to minimise the foreign exchange risks, the management closely monitors its foreign currency liability.

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	
	2015	2014
	RM	RM
Singapore Dollar	119,241	120,936

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

25. 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 and the Company are exposed to credit risk mainly from trade receivables.

The Group's and the Company's credit risk on cash and bank balances are limited as the Group and the Company place their fund with credit worthy institutions.

The Group does not have significant credit risk exposure to any single counterparty, other than the largest customer of the Group. Concentration of credit risk related to this customer did not exceed 15% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the year.

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

In addition, the Company is exposed to credit risk in relation to financial guarantee given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on.

Cash Flow Risk Management

The Group and the Company review their cash flow position regularly to manage their exposure to fluctuations in future cash flows associated with their 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 and the Company's short, medium and long-term funding and liquidity management requirements. The Group and the Company manage 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.

Notes to the Financial Statements

cont'd

25. FINANCIAL INSTRUMENTS *cont'd*

Liquidity Risk Management *cont'd*

Maturity profile of financial liabilities is as follows:

	Weighted average effective interest rate %	Less than 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM	Total RM
The Group						
2015						
Financial liabilities						
Non-interest bearing:						
Trade and other payables		16,301,663	-	-	-	16,301,663
Interest bearing:						
Hire-purchase payables	5.01	4,683,042	4,535,867	9,002,722	-	18,221,631
Borrowings (secured)	4.85	1,263,396	1,263,396	3,790,188	10,764,769	17,081,749
		22,248,101	5,799,263	12,792,910	10,764,769	51,605,043
2014						
Financial liabilities						
Non-interest bearing:						
Trade and other payables		13,959,825	-	-	-	13,959,825
Interest bearing:						
Hire-purchase payables	6.05	2,748,978	2,114,129	4,372,891	-	9,235,998
Borrowings (secured)	4.96	2,263,396	1,263,396	3,790,188	18,627,060	25,944,040
		18,972,199	3,377,525	8,163,079	18,627,060	49,139,863

Notes to the Financial Statements

cont'd

25. 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	
2015	
Financial liabilities	
Non-interest bearing:	
Other payables	375,971
Amount owing to subsidiary companies	17,368
Financial guarantee contracts	12,390,989
2014	
Financial liabilities	
Non-interest bearing:	
Other payables	385,916
Amount owing to subsidiary companies	17,368
Financial guarantee contracts	15,981,035

The amounts included above for financial guarantee contracts are the maximum amount of the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on the expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

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

Notes to the Financial Statements

cont'd

25. FINANCIAL INSTRUMENTS *cont'd*

Fair Values

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

	The Group			
	2015		2014	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Liabilities				
Term loan (Note 19)	12,390,989	12,809,932	16,981,035	17,543,746
Hire-purchase payables (Note 18)	16,338,548	15,664,461	8,310,333	7,632,110

Cash and cash equivalents, trade and other receivables, trade and other payables, short term borrowings, inter-company indebtedness and financial guarantee contracts

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.

26. RENTAL COMMITMENTS

As of 30 June 2015, the Group has the following commitments in respect of rental of premises:

	Future minimum lease payments	
	The Group	
	2015 RM	2014 RM
Within 1 year	219,236	173,027
Within 1 - 2 years	78,809	158,289
	298,045	331,316

Notes to the Financial Statements

cont'd

27. CAPITAL COMMITMENTS

As of 30 June 2015, the Group has the following capital commitments in respect of:

	The Group	
	2015 RM	2014 RM
Approved and contracted for:		
Purchase of motor vehicles	-	3,147,347
Purchase of tools and equipment	213,274	130,297
	213,274	3,277,644

28. CONTINGENT LIABILITIES - UNSECURED

As of 30 June 2015, the Company has the following contingent liabilities:

	The Company	
	2015 RM	2014 RM
Corporate guarantee given to a bank for banking facilities granted to subsidiary companies	66,680,000	48,680,000
Corporate guarantee given to a supplier for credit facility granted to a subsidiary company	50,000	50,000
	66,730,000	48,730,000

29. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the financial year ended 30 June 2015, the Company increased its issued and paid-up ordinary share capital from RM61,816,413 to RM61,816,595 by the issuance of 3,640 new ordinary shares of RM0.05 each pursuant to the exercise of 3,640 warrants at an exercise price of RM0.15 per warrant. The warrants were exercised on various dates up to the date of report.

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

The resulting premium of RM364 arising from the shares issued has been credited to the share premium account.

Notes to the Financial Statements

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30. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures in the financial statements of the Group have been reclassified to conform to the presentation in the current financial year. These relate to the following:

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES

	As previously reported RM	Reclassifications RM	As reclassified RM
The Group			
(Increase)/Decrease in fixed deposits with licensed banks	(1,311)	(6,819,848)	(6,821,159)
Net Cash (Used In)/From Investing Activities	(3,478,582)	(6,819,848)	(10,298,430)
Net Increase In Cash And Cash Equivalents	24,192,008	(6,819,848)	17,372,160
The Company			
(Increase)/Decrease in fixed deposits with licensed banks	-	202,570	202,570
Net Cash (Used In)/From Investing Activities	8,030,875	202,570	8,233,445
Net Increase In Cash And Cash Equivalents	15,812,059	202,570	16,014,629

Notes to the Financial Statements

cont'd

31. SUPPLEMENTARY INFORMATION - DISCLOSURE ON REALISED AND UNREALISED PROFITS/LOSSES

On 25 March 2011, Bursa Malaysia Securities Berhad (“Bursa”) 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 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 2015 into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained earnings:				
Realised	63,272,503	45,379,195	24,259,699	13,638,000
Unrealised	(2,438,981)	(2,731,779)	-	-
	60,833,522	42,647,416	24,259,699	13,638,000
Add: Consolidation adjustments	6,132,814	6,113,525	-	-
Total retained earnings	66,966,336	48,760,941	24,259,699	13,638,000

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 or 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 2015 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 31 on page 140, 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

Kuala Lumpur,
29 September 2015

LIM CHEE SEONG

Declaration by the Director

Primarily Responsible for the Financial Management of the Company

I, **LIM CHEE SEONG**, the director primarily responsible for the financial management of **GD EXPRESS CARRIER BHD**, do solemnly and sincerely declare that the accompanying financial statements together with the notes thereto are, to the best of my knowledge and belief, 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.

LIM CHEE SEONG

Subscribed and solemnly declared by the
abovenamed **LIM CHEE SEONG** at
KUALA LUMPUR this 29th day of September, 2015.

Before me,

SHAFIE B. DAUD

No. W350
COMMISSIONER FOR OATHS

Analysis of Shareholdings

as at 12 October 2015

Authorised Share Capital	:	RM500,000,000.00 comprising 10,000,000,000 ordinary shares of RM0.05 each
Issued and Fully Paid-Up Capital	:	RM61,818,925.40 comprising 1,236,378,508 ordinary shares of RM0.05 each
Class of Shares	:	Ordinary shares of RM0.05 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	135	4.05	5,098	0.00
100 – 1,000	704	21.14	353,519	0.03
1,001 – 10,000	1,538	46.19	7,460,868	0.60
10,001 – 100,000	758	22.76	23,622,932	1.91
100,001 – 61,818,924 ^[1]	192	5.77	465,995,177	37.69
61,818,925 and above ^[2]	3	0.09	738,940,914	59.77
TOTAL	3,330	100.00	1,236,378,508	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	323,925,237	26.20
2	AFFIN HWANG NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR SINGAPORE POST LIMITED	290,735,386	23.51
3	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO LTD (SINGAPORE BCH)	124,280,291	10.05
4	GD EXPRESS HOLDINGS (M) SDN BHD	45,948,536	3.72
5	LEONG CHEE TONG	39,026,432	3.16
6	GD HOLDINGS INTERNATIONAL LIMITED	28,103,889	2.27
7	LAU WING TAT	27,455,991	2.22
8	LAU WING TAT	25,673,477	2.08
9	DING MEI SIANG	22,644,989	1.83

Analysis of Shareholdingsas at 12 October 2015
cont'd**LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS** cont'd

No.	Name of Shareholders/Depositors	No of Shares	%
10	AGNES CHAN WAI CHING	21,596,976	1.75
11	LOI SIEW HOONG	14,718,472	1.19
12	AFFIN HWANG NOMINEES (ASING) SDN BHD <i>PHILLIP SECURITIES PTE LTD FOR KONG HWAI MING</i>	14,146,707	1.14
13	AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	12,378,558	1.00
14	KONG HWAI MING	10,103,344	0.82
15	CITIGROUP NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 1)</i>	9,361,278	0.76
16	AFFIN HWANG NOMINEES (ASING) SDN BHD <i>PHILLIP SECURITIES PTE LTD FOR LAU CHEN HONG</i>	8,368,719	0.68
17	MARDIANA BINTI MOHAMED ZAIN	8,115,631	0.66
18	TEONG TEIK CHEONG	7,419,419	0.60
19	TEONG TECK LEAN	7,105,233	0.57
20	AFFIN HWANG NOMINEES (ASING) SDN BHD <i>DBS VICKERS SECS (S) PTE LTD FOR TAN PIAK HWEE ANTHONY</i>	6,357,138	0.51
21	CITIGROUP NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)</i>	6,325,000	0.51
22	GDEX FOUNDATION	4,870,073	0.39
23	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR CACIES BANK LUXEMBOURG (CLTACCT-NON DTT)</i>	4,855,000	0.39
24	RHB NOMINEES (TEMPATAN) SDN BHD <i>KWOK NGUK MOOI</i>	4,575,574	0.37
25	CHAN MOON FOOK	4,532,866	0.37
26	LIM CHENG SUNG @ LIM CHENG SANG	4,426,000	0.36
27	NG HIN LEE	4,036,000	0.33
28	CHIN CHEE SUE	3,652,555	0.29
29	CHIA PHAY CHENG	3,484,329	0.28
30	KWOK NGUK MOOI	3,427,977	0.28
TOTAL		1,091,651,077	88.29

Analysis of Shareholdings

as at 12 October 2015

cont'd

DIRECTORS' SHAREHOLDINGS AS AT 12 OCTOBER 2015

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital
DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	12,378,558	1.00	12,735,469 ^[a]	1.03
TEONG TECK LEAN	9,653,943	0.78	527,128,026 ^[b]	42.63
LIEW HENG HENG	1,014,598	0.08	-	-
LIM CHENG SUNG @ LIM CHENG SANG	4,426,000	0.36	-	-
ADI ARMAN BIN ABU OSMAN	-	-	-	-
WOO KENG LEONG	-	-	-	-
LIM CHEE SEONG	80,485	0.01	-	-

Notes:-

[a] Deemed interested by virtue of his substantial shareholdings in Essem Capital Sdn Bhd (2,984,674 ordinary shares) and Essem Corporation Sdn Bhd (804,856 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 and children namely Datin Mardiana binti Mohamed Zain (8,115,631 ordinary shares), Suffaneena binti Ahmad Sufian (63,333 ordinary shares), Muffadzlee bin Ahmad Sufian (63,333 ordinary shares), Muffriezal bin Ahmad Sufian (50,000 ordinary shares) and Suffrianna binti Ahmad Sufian (50,000 ordinary shares) and in a nominee company (603,642 ordinary shares).

[b] Deemed interested by virtue of his substantial shareholdings in GDEX Foundation (4,870,073 ordinary shares), his personal and spouse's Wang Heng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (369,873,773 ordinary shares) and GD Holdings International Limited (152,384,180 ordinary shares) pursuant to Section 6(A)(4) of the Companies Act, 1965.

SUBSTANTIAL SHAREHOLDERS AS AT 12 OCTOBER 2015

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital
TEONG TECK LEAN	9,653,943	0.78	527,128,026 ^[a]	42.63
GD EXPRESS HOLDINGS (M) SDN BHD	369,873,773	29.92	-	-
GD HOLDINGS INTERNATIONAL LIMITED	152,384,180	12.33	-	-
SINGAPORE POST LIMITED	290,735,386	23.52	-	-
SINGAPORE TELECOMMUNICATIONS LIMITED	-	-	290,735,386 ^[b]	23.52
TEMASEK HOLDINGS (PRIVATE) LIMITED	-	-	290,735,386 ^[b]	23.52

Notes:-

[a] Deemed interested by virtue of his substantial shareholdings in GDEX Foundation (4,870,073 ordinary shares), his personal and spouse's Wang Heng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (369,873,773 ordinary shares) and GD Holdings International Limited (152,384,180 ordinary shares) pursuant to Section 6(A)(4) of the Companies Act, 1965.

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

Analysis of Warrants-A Holdings

as at 12 October 2015

No. of Warrants-A in issue : 13,935,959 Warrants-A
 Issue Date : 8 February 2011
 Expiry date : 7 February 2016
 Exercise price per Warrant-A : RM0.15

ANALYSIS OF WARRANTS-A HOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Warrants-A	% of Issued Warrants-A
1 - 99	555	76.66	42,959	0.31
100 – 1,000	53	7.32	34,679	0.25
1,001 – 10,000	86	11.88	376,266	2.70
10,001 – 100,000	26	3.59	586,659	4.21
100,001 – 696,796 ^[1]	3	0.41	614,200	4.41
696,797 and above ^[2]	1	0.14	12,281,196	88.13
TOTAL	724	100.00	13,935,959	100.00

Notes:-

^[1] Less than 5% of issued Warrants-A.^[2] 5% and above of issued Warrants-A.**LIST OF TOP 30 WARRANTS-A HOLDERS**

No.	Name of Warrants-A Holders	No. of Warrants-A	%
1	GD EXPRESS HOLDINGS (M) SDN BHD	12,281,196	88.12
2	OEI YANG YANG @ NG YEN YEN	300,000	2.15
3	CHIN YII TZE JUSTIN	200,000	1.44
4	LEE SIEW MING	114,200	0.82
5	TEE CHIEW TEK	44,800	0.32
6	QUAH ENG HOO	43,200	0.31
7	CHEW BOON KHENG	40,000	0.29
8	CHENG MAU CHAI	38,000	0.27
9	CHAN HENG WAI	36,400	0.26
10	TEONG TECK LEAN	30,000	0.22
11	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT FOR AN UOB KAY HIAN PTE LTD (A/C CLIENTS)	28,240	0.20

Analysis of Warrants-A Holdings

as at 12 October 2015

cont'd

LIST OF TOP 30 WARRANTS-A HOLDERS cont'd

No.	Name of Warrants-A Holders	No. of Warrants-A	%
12	SARAH KANG BINTI ABDULLAH	26,666	0.19
13	JF APEX NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK (STA 1)</i>	26,100	0.19
14	TAN ENG CHAN	25,000	0.18
15	DING AH DIEH @ DING PIK CING	24,000	0.17
16	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHUNG TZE KEONG (E-KLC)</i>	24,000	0.17
17	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)</i>	20,080	0.14
18	FOO YIT KIN	18,000	0.13
19	KAM SOO HUAT	18,000	0.13
20	TEH BING SEN	16,000	0.11
21	BIBIANNA LING CHAI YIENG	15,080	0.11
22	ANNIE TAW YEE LING	15,000	0.11
23	LING SOO HUAT	13,333	0.09
24	PUBLIC INVEST NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)</i>	12,960	0.09
25	GOH SENG AUN	12,000	0.09
26	NG HONG JIN	12,000	0.09
27	TEY YOOK BEE	12,000	0.09
28	TING I NGUK	12,000	0.09
29	WONG YOKE YEN	12,000	0.09
30	FUNG KOK MING	11,800	0.08
	TOTAL	13,482,055	96.74

Analysis of Warrants-A Holdings

as at 12 October 2015

cont'd

DIRECTORS' WARRANTS-A HOLDINGS AS AT 12 OCTOBER 2015

Name of Directors	Direct Interest		Indirect Interest	
	No. of Warrants-A	% of Issued Warrants-A	No. of Warrants-A	% of Issued Warrants-A
DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	-	-	-	-
TEONG TECK LEAN	30,000	0.02	12,281,196 ^[a]	88.13
LIEW HENG HENG	-	-	-	-
LIM CHENG SUNG @ LIM CHENG SANG	-	-	-	-
ADI ARMAN BIN ABU OSMAN	-	-	-	-
WOO KENG LEONG	-	-	-	-
LIM CHEE SEONG	-	-	-	-

Note:-

[a] Deemed interested by virtue of his personal and spouse's, Wang Heng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (12,281,196 Warrants-A) pursuant to Section 6(A)(4) of the Companies Act, 1965.

Analysis of Warrants-B Holdings

as at 12 October 2015

No. of Warrants-B in issue : 179,154,914 Warrants-B
 Issue Date : 6 February 2015
 Expiry date : 11 February 2020
 Exercise price per Warrant-B : RM1.53

ANALYSIS OF WARRANTS-B HOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Warrants-B	% of Issued Warrants-B
1 - 99	505	26.25	24,596	0.01
100 – 1,000	641	33.32	322,250	0.18
1,001 – 10,000	495	25.73	1,961,582	1.09
10,001 – 100,000	198	10.29	6,511,833	3.63
100,001 – 8,957,744 ^[1]	82	4.26	60,162,279	33.58
8,957,745 and above ^[2]	3	0.16	110,172,374	61.50
TOTAL	1,924	100.00	179,154,914	100.00

Notes:-

[1] Less than 5% of issued Warrants-B.

[2] 5% and above of issued Warrants-B.

LIST OF TOP 30 WARRANTS-B HOLDERS

No.	Name of Warrants-B Holders	No. of Warrants-B	%
1	GD EXPRESS HOLDINGS (M) SDN BHD	48,295,624	26.96
2	AFFIN HWANG NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR SINGAPORE POST LIMITED	43,347,184	24.20
3	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO LTD (SINGAPORE BCH)	18,529,566	10.34
4	LAU WING TAT	5,584,500	3.12
5	AFFIN HWANG NOMINEES (ASING) SDN BHD PHILLIP SECURITIES PTE LTD FOR KONG HWAI MING	4,719,830	2.63
6	GD EXPRESS HOLDINGS (M) SDN BHD	4,000,000	2.23
7	DING MEI SIANG	3,376,254	1.88
8	LAU WING TAT	2,769,212	1.54
9	AGNES CHAN WAI CHING	2,269,761	1.27
10	LOI SIEW HOONG	2,194,450	1.22

Analysis of Warrants-B Holdingsas at 12 October 2015
cont'd**LIST OF TOP 30 WARRANTS-B HOLDERS** cont'd

No.	Name of Warrants-B Holders	No. of Warrants-B	%
11	CITIGROUP NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 1)</i>	2,155,479	1.20
12	AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHAD	1,875,400	1.05
13	GD HOLDINGS INTERNATIONAL LIMITED	1,822,520	1.02
14	AFFIN HWANG NOMINEES (ASING) SDN BHD <i>PHILLIP SECURITIES PTE LTD FOR LAU CHEN HONG</i>	1,706,430	0.95
15	KONG HWAI MING	1,506,358	0.84
16	AFFIN HWANG NOMINEES (ASING) SDN BHD <i>UOB KAY HIAN PTE LTD FOR KONG HWAI MING</i>	1,326,300	0.74
17	MARDIANA BINTI MOHAMED ZAIN	1,210,000	0.68
18	RHB NOMINEES (TEMPATAN) SDN BHD <i>KWOK NGUK MOOI</i>	1,089,821	0.61
19	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)</i>	1,050,000	0.59
20	AFFIN HWANG NOMINEES (ASING) SDN BHD <i>DBS VICKERS SECS (S) PTE LTD FOR TAN PIAK HWEE ANTHONY</i>	1,000,448	0.56
21	TEONG TEIK CHEONG	803,868	0.45
22	GDEX FOUNDATION	726,103	0.41
23	CHAN MOON FOOK	716,680	0.40
24	AFFIN HWANG NOMINEES (ASING) SDN BHD <i>DBS VICKERS SECS (S) PTE LTD FOR TANG TAI MOY</i>	701,031	0.39
25	LIM CHENG SUNG @ LIM CHENG SANG	660,000	0.37
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>LIBRA INVEST BERHAD FOR CHUAH YEON HANG</i>	655,000	0.37
27	LIM SEE PEK	654,500	0.36
28	OOI WENG HOOI	630,000	0.35
29	TEONG TECK LEAN	612,069	0.34
30	NG HIN LEE	605,000	0.34
	TOTAL	156,593,388	87.41

Analysis of Warrants-B Holdings

as at 12 October 2015

cont'd

DIRECTORS' WARRANTS-B HOLDINGS AS AT 12 OCTOBER 2015

Name of Directors	Direct Interest		Indirect Interest	
	No. of Warrants-B	% of Issued Warrants-B	No. of Warrants-B	% of Issued Warrants-B
DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	1,875,400	1.05	1,869,000 ^[a]	1.04
TEONG TECK LEAN	992,069	0.55	73,373,813 ^[b]	40.96
LIEW HENG HENG	151,271	0.08	-	-
LIM CHENG SUNG @ LIM CHENG SANG	660,000	0.37	-	-
ADI ARMAN BIN ABU OSMAN	-	-	-	-
WOO KENG LEONG	-	-	-	-
LIM CHEE SEONG	12,000	0.01	-	-

Notes:-

[a] Deemed interested by virtue of his substantial shareholdings in Essem Capital Sdn Bhd (445,000 Warrants-B) and Essem Corporation Sdn Bhd (120,000 Warrants-B) 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 and children namely, Datin Mardiana binti Mohamed Zain (1,210,000 Warrants-B), Suffaneena binti Ahmad Sufian (2,000 Warrants-B) and Muffadzlee bin Ahmad Sufian (2,000 Warrants-B) and in a nominee company (90,000 Warrants-B).

[b] Deemed interested by virtue of his substantial shareholdings in GDEX Foundation (726,103 Warrants-B), his personal and spouse's Wang Heng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (52,295,624 Warrants-B) and GD Holdings International Limited (20,352,086 Warrants-B) 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 30.06.2015 (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	56 years	19,342,746	-
(2)	19 - 21 Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan ⁽¹⁾	Corporate Head Office and Distribution Hub and Vacant Land	91,666	99 years lease expiring 13 August 2056	42 years	7,631,569	20 June 2008 and 30 June 2009

Note:

⁽¹⁾ Lease of land for the Group's factory building at No.19, and lease of vacant land at No.21 for car park purposes, located at Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan. These lands were amalgamated under the new land title at Lot No. PT43, Seksyen 20, which was issued on 27 August 2014. The amalgamated leasehold land is leased over a period of 99 years expiring on 13 August 2056.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twelfth Annual General Meeting of the Company will be held at Room 4, First Level, Shah Alam Convention Centre, No. 4, Jalan Perbandaran 14/9, 40000 Shah Alam, Selangor Darul Ehsan on Wednesday, 2 December 2015 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 2015 together with the Directors' and Auditors' Reports thereon. | <i>Please refer to Explanatory Note 1</i> |
| 2. | To approve the payment of a first and final single-tier dividend of 1 sen per ordinary share of RM0.05 each in respect of the financial year ended 30 June 2015. | <i>Ordinary Resolution 1</i> |
| 3. | To approve the payment of Directors' Fees of RM118,800 for the financial year ended 30 June 2015. | <i>Ordinary Resolution 2</i> |
| 4. | To re-elect the Director, Encik Adi Arman bin Abu Osman who is retiring under Article 104 of the Articles of Association of the Company. | <i>Ordinary Resolution 3</i> |
| 5. | To re-elect the Director, Mr Woo Keng Leong who is retiring under Article 91 of the Articles of Association of the Company. | <i>Ordinary Resolution 4</i> |
| 6. | To re-elect the Director, Mr Lim Chee Seong who is retiring under Article 91 of the Articles of Association of the Company. | <i>Ordinary Resolution 5</i> |
| 7. | To re-appoint the Director, Mr Lim Chee Sung @ Lim Cheng Sang who is retiring under Section 129(6) of the Companies Act, 1965. | <i>Ordinary Resolution 6</i> |
| 8. | To re-appoint Messrs Deloitte as Auditors of the Company and to authorise the Directors to fix their remuneration. | <i>Ordinary Resolution 7</i> |

As Special Business

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

9. **Approval for Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid to continue in office as Independent Non-Executive Director**

"THAT Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years be and is hereby retained 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

Notice of Annual General Meeting

cont'd

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

“**THAT** Ms Liew Heng Heng who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years be and is hereby retained 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 Annual General Meeting 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 the Authority to allot and issue new ordinary shares of RM0.05 each in GD Express Carrier Bhd (“GDEX Shares”), for the purpose of the Company’s Dividend Reinvestment Plan (“DRP”) that provides the shareholders of GD Express Carrier Bhd the Option to elect to reinvest their cash dividend in new GDEX Shares**

“**THAT** pursuant to the DRP as approved by the shareholders at the Annual General Meeting held on 3 December 2013 and subject to the approval of the relevant regulatory authorities (if required), approval be and is hereby given to the Company to allot and issue such number of new GDEX Shares from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next Annual General Meeting upon such terms and conditions and to such persons as the Directors of the Company at their absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new GDEX Shares shall be fixed by the Directors at not more than 10% discount to the adjusted five (5)-day volume weighted average market price (“VMAMP”) of GDEX Shares immediately prior to the price-fixing date, of which the VMAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price and issue price may not be less than the par value of GDEX Shares;

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do such acts and enter into all such transactions, arrangements, undertakings and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments (if any) or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, by the Directors as they, in their absolute discretion, deem fit and in the best interest of the Company.”

**Ordinary
Resolution 11**

Notice of Annual General Meeting

cont'd

13. Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"**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 9 November 2015, 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.

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 12**

Notice of Annual General Meeting

cont'd

14. 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: 9 November 2015

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 25 November 2015 (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.*

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.

Notice of Annual General Meeting

cont'd

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 has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, 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 more than 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 has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, 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 more than 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 Eleventh Annual General Meeting held on 3 December 2014, 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.

Notice of Annual General Meeting

cont'd

5. **Item 12 of the Agenda**

Proposed renewal of the authority to allot and issue new ordinary shares of RM0.05 each in GD Express Carrier Bhd ("GDEX Shares"), for the purpose of the Company's Dividend Reinvestment Plan ("DRP") that provides the shareholders of GD Express Carrier Bhd the option to elect to reinvest their cash dividend in new GDEX Shares.

Ordinary Resolution 11 proposed under item 12 of the Agenda will give authority to the Directors to allot and issue shares under the DRP in respect of dividend declared in this AGM and subsequently, until the conclusion of the next Annual General Meeting ("AGM"). A renewal of this authority will be sought at the next AGM.

6. **Item 13 of the Agenda**

The proposed adoption of the Ordinary Resolution 12 is a renewal of Shareholders' Mandate and new 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's 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 9 November 2015 for further information.

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

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

PROXY FORM

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 Twelfth Annual General Meeting of the Company to be held at Room 4, First Level, Shah Alam Convention Centre, No. 4, Jalan Perbandaran 14/9, 40000 Shah Alam, Selangor Darul Ehsan on Wednesday, 2 December 2015 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 1 sen per ordinary share of RM0.05 each in respect of the financial year ended 30 June 2015	Ordinary Resolution 1		
2.	To approve the payment of Directors' Fees for the financial year ended 30 June 2015	Ordinary Resolution 2		
3.	Re-election of Encik Adi Arman bin Abu Osman as Director	Ordinary Resolution 3		
4.	Re-election of Mr Woo Keng Leong as Director	Ordinary Resolution 4		
5.	Re-election of Mr Lim Chee Seong 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 the authority to allot and issue new ordinary shares of RM0.05 each in GD Express Carrier Bhd for the purpose of the Company's Dividend Reinvestment Plan	Ordinary Resolution 11		
12.	Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate	Ordinary Resolution 12		

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

* Delete if not applicable

Signature/Common Seal

Date : _____

Contact No. : _____

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

	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

Fold This Flap For Sealing

Fold along this line (1)

Please Affix
Stamp

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

Fold along this line (2)

Notes:

1. A member [other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991] entitled to attend and vote at the Meeting is entitled to appoint 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 25 November 2015 (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.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 November 2015.

Our Stations

HEADQUARTERS (PJ)

03-7787 2222

PENINSULAR MALAYSIA

Alor Setar
04-7349 636

Bahau
06-4540 295

Bandar Chiku
09-9284 035

Bangi
03-8922 2184

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

Gedangsa
03-6046 3715

Gemas
07-9481 266

Gemencheh
06-4319 420

Gua Musang
09-9126 622

Ipoh
05-2823 661

Jerantut
09-2662 708

Jerteh
09-6978 734

Jitra
04-7140 403

Johor Bahru
07-3335 578

Kajang
03-8737 0988

Kampar
05-4659 448

Kemaman
09-8583 091

Kepong
03-6259 6220

Klang
03-3291 1768

Kluang
07-7743 362

Kok Lanas
09-7883 090

Kota Bharu
09-7431 800

Kota Tinggi
013-5309 146

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

Nilai
06-7947 356

Palong
06-4631 095

Parit Buntar
05-7169 429

Pasir Gudang
07-2520 025

Penang
04-2279 358

Pontian
07-686 1430

Port Klang
03-3323 6063

Port Dickson
06-6462 196

Puchong
03-8060 0578

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

Setiu
09-6099 695

Sungai Koyan
09-3401 167

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

Taipung
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
014-5560 515

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

Tawau
089-774 173

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
084-752 128

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

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