

GD EXPRESS CARRIER BHD
(Company No. 630579-A)

MINUTES OF THE FOURTEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT SETIA CITY CONVENTION CENTRE, 1, JALAN SETIA DAGANG AG U13/AG, SETIA ALAM SEKSYEN U13 , 40170 SHAH ALAM, SELANGOR DARUL EHSAN ON WEDNESDAY, 6 DECEMBER 2017 AT 11.00 A.M.

PRESENT

DIRECTORS

Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	:	Chairman
Mr Teong Teck Lean	:	Managing Director/Group Chief Executive Officer
Ms Liew Heng Heng	:	Independent Non-Executive Director
Mr Lim Chee Seong	:	Executive Director/Chief Financial Officer
Mr Lee Kah Hin	:	Executive Director
Encik Adi Arman Bin Abu Osman	:	Independent Non-Executive Director
Mr Woo Keng Leong	:	Non-Independent Non-Executive Director
Mr Chua Khing Seng	:	Non-Independent Non-Executive Director
Ms Ho Swee Fong	:	Independent Non-Executive Director

IN ATTENDANCE

Ms Grace Tan – Representing the Company Secretary

BY INVITATION

As per Attendance List marked as Appendix I

The list of shareholders and proxies who attended the Meeting is set out in the Attendance Lists attached and shall form an integral part of this Minutes.

- | <u>No.</u> | <u>Items</u> | <u>Action By</u> |
|------------|---|------------------|
| 1. | CHAIRMAN | |
| | <p>The Chairman, Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid, extended a warm welcome to the shareholders, proxies and guests present at the Fourteenth Annual General Meeting ("14th AGM") of the Company.</p> <p>The Chairman introduced the members of the Board of Directors to the shareholders of the Company.</p> | |
| 2. | PRESENTATION BY MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER OF THE COMPANY | |
| | <p>Before proceeding with the Agenda of the 14th AGM, Mr Teong Teck Lean, the Managing Director/Chief Executive Officer of the Company gave a slide presentation to the shareholders on the Company's current business operations and its strategic direction in a changing competitive landscape.</p> | |
| 3. | QUORUM | |
| | <p>The Secretary confirmed that a quorum was present. Upon confirming that a requisite quorum was present, the Chairman called the Meeting to order at 11.00 a.m.</p> | |
| 4. | NOTICE | |
| | <p>The Notice of 14th AGM having been circulated within the stipulated time frame was taken as read.</p> <p>As part of good governance, the Chairman reported that the Company had received a total 100 proxy forms from shareholders for a total of 4,003,828,114 ordinary shares representing 71.80% of the issued share capital of the Company.</p> | |
| 5. | RESOLUTIONS TO BE VOTED BY POLL | |
| | <p>At this juncture, the Chairman informed the members on the requirement for resolutions set out in the Notice of the 14th AGM would be voted by poll in accordance with Paragraph 8.92A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Chairman also informed that the polling process would be conducted after the deliberation of all items on the Agenda.</p> <p>The Chairman further informed the members that GovernAce Advisory & Solutions Sdn Bhd has been appointed as the Independent Scrutineers to facilitate the polling process.</p> <p>The Chairman then proceeded with the business of 14th AGM.</p> | |
| 6. | AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 | |
| | <p>The Chairman briefed the shareholders on the performance of the Group for the financial year ended 30 June 2017. He highlighted that in spite of competitive environment and slowdown in economic, the Group has continued to grow.</p> | |

No. **Items** **Action By**

It was RESOLVED:-

“**THAT** a first and final single-tier dividend of 0.25 sen per ordinary share of in respect of the financial year ended 30 June 2017 be and is hereby approved.”

Ordinary Resolution 2	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To approve the payment of Directors' Fees of RM189,600.00 for the financial year ended 30 June 2017 and Benefits of RM43,500.00 payable for the period from 31 January 2017 to 30 June 2017	4,558,100,146	100	103,467	Negligible

It was RESOLVED:-

“**THAT** the payment of Directors' Fees of RM189,600.00 for the financial year ended 30 June 2017 and Benefits of RM43,500.00 payable for the period from 31 January 2017 to 30 June 2017 be and are hereby approved.”

Ordinary Resolution 3	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To approve the payment of Directors' Fees and Benefits payable to the Directors of the Company and its subsidiaries up to an aggregate amount of RM324,480.00 from 1 July 2017 until the next Annual General Meeting of the Company	4,558,100,146	100	103,467	Negligible

It was RESOLVED:-

“**THAT** the payment of Directors' Fees and Benefits payable to the Directors of the Company and subsidiaries up to an aggregate amount of RM324,480.00 from 1 July 2017 until the next Annual General Meeting of the Company be and is hereby approved.”

Ordinary Resolution 4	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To re-elect Ms Liew Heng Heng as Director who retired pursuant to the Constitution of the Company	4,558,205,845	100	0	0

No. Items

Action By

It was RESOLVED:-

“THAT Ms Liew Heng Heng who retired pursuant to the Constitution of the Company be and is hereby re-elected as Director of the Company.”

Ordinary Resolution 5	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To re-elect Encik Adi Arman bin Abu Osman as Director who retired pursuant to the Constitution of the Company	4,557,829,645	100	378,000	Negligible

It was RESOLVED:-

“THAT Encik Adi Arman bin Abu Osman who retired pursuant to the Constitution of the Company be and is hereby re-elected as Director of the Company.”

Ordinary Resolution 6	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To re-elect Mr Lee Kah Hin as Director who retired pursuant to the Constitution of the Company	4,558,207,645	100	0	0

It was RESOLVED:-

“THAT Mr Lee Kah Hin who retired pursuant to the Constitution of the Company be and is hereby re-elected as Director of the Company.”

Ordinary Resolution 7	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To re-appoint Messrs Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration	4,558,201,645	100	6,000	Negligible

It was RESOLVED:-

“THAT Messrs Deloitte PLT be and are hereby re-appointed as Auditors of the Company for the ensuing year until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”

No. Items Action By

Ordinary Resolution 8	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Approval for Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid to continue in office as Independent Non-Executive Director	4,558,187,845	100	19,800	Negligible

It was RESOLVED:-

“**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.”

Ordinary Resolution 9	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Approval for Ms Liew Heng Heng to continue in office as Independent Non-Executive Director	4,558,205,845	100	1,800	Negligible

It was RESOLVED:-

“**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 Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.”

Ordinary Resolution 10	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Authority under Section 76 of the Companies Act 2016 for the Directors to issue shares	4,558,107,845	100	98,000	Negligible

It was RESOLVED:-

“**THAT** pursuant to Section 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever 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 total number of issued share/ total number of voting shares of the Company (excluding treasury shares) at the time of issue and **THAT** the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and **THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

No. **Items** **Action By**

Ordinary Resolution 11	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Proposed Renewal of the Authority to allot and issue new ordinary shares 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	1,190,155,986	100	0	0

It was RESOLVED:-

“**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 12	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Proposed Renewal of Shareholders’ Mandate and Proposed New Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	1,926,271,073	100	92,000	Negligible

<u>No.</u>	<u>Items</u>	<u>Action By</u>
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It was RESOLVED:-

“**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 31 October 2017, 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 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); 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 authority be and is hereby given to the Directors of the Company and its subsidiaries to complete and do all such acts and things as they may consider expedient or necessary to give effect to the transactions as authorised by this Proposed Shareholders’ Mandate.”

No. **Items** **Action By**

Special Resolution	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Proposed Adoption of New Constitution of the Company	4,558,109,645	100	6,000	Negligible

It was RESOLVED:-

“**THAT** the existing Memorandum of Association and Articles of Association of the Company be and are hereby deleted in its entirety and that the new Constitution as set out Part B of the Circular to Shareholders dated 31 October 2017 be and is hereby adopted as the new Constitution of the Company.”

9. CONCLUSION

There being no other matters, the Meeting concluded at 1.15 p.m. with a vote of thanks to the Chair

SIGNED AS A CORRECT RECORD



**DATO' CAPT. AHMAD SUFIAN @
QURNAIN BIN ABDUL RASHID
CHAIRMAN**

GD EXPRESS CARRIER BHD
(Company No. 630579-A)

**QUESTIONS AND ANSWERS SESSION DURING THE FOURTEENTH ANNUAL
GENERAL MEETING HELD ON 6 DECEMBER 2017**

1. Ms Chen Wei Heng (“**Ms Chen**”), a proxy holder sought clarification on the double increase in the Group’s other operating income to which Mr Lim Chee Seong (“**Mr Lim**”), the Company’s Executive Director cum Chief Financial Controller explained that the Group’s interest income has increased from RM6.2 million in 2016 to RM11.5 million in 2017 was primarily due to higher interest rates earned from the placement of fixed deposits, thereby increasing the other operating income.

2. Ms Chen sought clarification on the decrease in cash flow to which Mr Lim responded that the decrease was due to a delay in trade receivables collection and payment made to hire purchases.

Ms Chen also enquired about the average receivables turnover days in which Mr Lim replied that the average receivables turnover days was 73 days.

3. Ms Chen asked about the capital expenditures (“**capex**”) of the Group for year 2018 and its capex planning.

Mr Lim informed that capex for 2018 to be approximately RM30 million and will be utilised for the expansion of existing facilities and infrastructure.

4. Ms Chen remarked that GD Express Carrier Bhd (“**GDEX**”) was not established itself as a number one player in Malaysia and she would like to know what gave them a competitive advantage in the industry.

Mr Teong Teck Lean (“**Mr Teong**”), the Managing Director/Chief Executive Officer explained that despite the competitive environment, GDEX was able to provide its services to its customers in a cost-effective manner. With consistent improvements in its service quality, digitalisation allows for greater efficiency and better management and control in every area including last mile delivery and billing synchronisation. GDEX has been one of the most consistent players.

5. Ms Chen, by referring to Page 6 of the Annual Report 2017 i.e. Chairman’s Statement, enquired what would be the impact of rising of fuel cost and continued weakening of Ringgit Malaysia to the profit margins of the Company and what was the strategic plan to solve them.

Mr Teong who sat on the Association of Malaysian Express Carriers (AMEC) informed that he would get the Association to solve the issues, if any, such as anti-price issue. The Association was more on the purpose of building in a mechanism to tackle the costs in terms of handling surcharge, fuel and GST. If the cost escalated, the Company would increase handling surcharge in the billing system. As of now, the Company has no intention to increase the price but to manage risk of cost escalation.

QUESTIONS AND ANSWERS SESSION DURING THE FOURTEENTH ANNUAL GENERAL MEETING HELD ON 6 DECEMBER 2017 - Continued

6. Ms Chen enquired about the digital zone and how GDEX has leveraged.

Mr Teong informed that talks have been organised with Small and Medium Enterprises and young entrepreneurs to get themselves digital and innovate their business.

7. Mr William Ng ("Mr Ng"), a proxy holder enquired as to why the Group's revenue was increasing but the bottom line was decreasing.

Mr Lim explained that the profit margin achieved by the Group has decreased and this was caused by stiff competition in the past 10 years. Despite an increase in sales volume but there was still no increase in margins overall. Also, there was a need to increase resources, trucks and infrastructure.

8. Mr Ng, enquired about the pioneer status and whether the Company has applied for an extension to which Mr Lim informed that the pioneer status granted by Malaysian Investment Development Authority ("MIDA") expired on 25 September 2017 and an application had been made to MIDA for new incentives.

9. Mr Ng enquired about the properties purchase of RM19 million by the Company and what was the rate of return of those properties.

Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid, the Chairman of the Board informed the properties purchased in particular the property in Ipoh was for logistics use as the Company needed to have permanent bases for Central and Northern Regions. Being a long-term player, there was a need to have stability. Therefore, investing in properties was for the future and the purchase was not dependent upon fluctuations of property market.

Mr Teong added that the Company intended to buy more strategic properties for logistics facility and warehousing and the purchase was not for speculation purposes.

10. Mr Ng enquired about GDEX's investment in overseas market i.e. convertible bonds investment in PT Satria Antarana Prima ("PTSAP"), Indonesia and he also asked whether the capex of the Group would be increased.

Mr Teong informed that GDEX's investments in Indonesia ranging from USD20 million to USD30 million. GDEX has invested RM10 million in convertible bonds in PTSAP. PTSAP was a very small company and still in a growing stage but the company was growing very fast and have opened up more branches. GDEX has sent its people as well as transferring its IT, knowledge and experience to PTSAP. To-date, there was no request from PTSAP to ask for more funds to inject capital into PTSAP.

Mr Lim clarified that the capex of RM30 million would not all used up. GDEX has earmarked the capex for IT, research & development activities and purchase of trucks. About 20% of the capex would be used for IT.

QUESTIONS AND ANSWERS SESSION DURING THE FOURTEENTH ANNUAL GENERAL MEETING HELD ON 6 DECEMBER 2017 - Continued

11. Mr Khor Chin Giap (“**Mr Khor**”), a shareholder commented that the staff costs reflected on page 100 of the Annual Report 2017 was very huge and he asked about the number of staff in the GDEX Group. Mr Khor also wanted to know whether the number of staff would be reduced if the Company was moving towards digital.

Mr Lim responded that the manpower of the GDEX Group has increased from 2,000 employees to 3,500 employees. As the courier delivery service was labour-intensive, thus, there was a need to increase manpower resources to build up capacity to handle delivery service.