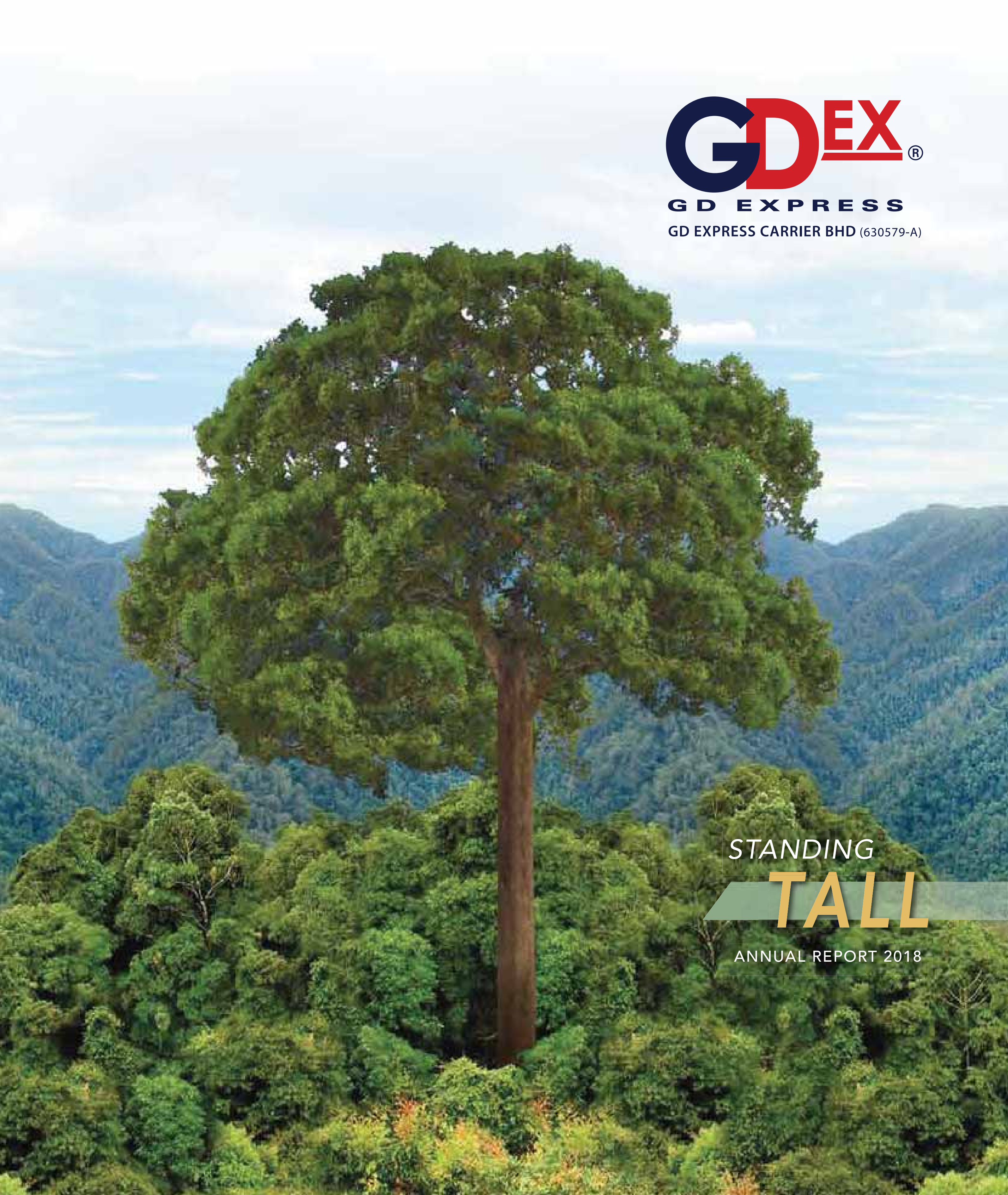
GD EXPRESS

GD EXPRESS CARRIER BHD (630579-A)



STANDING TALL

ANNUAL REPORT 2018

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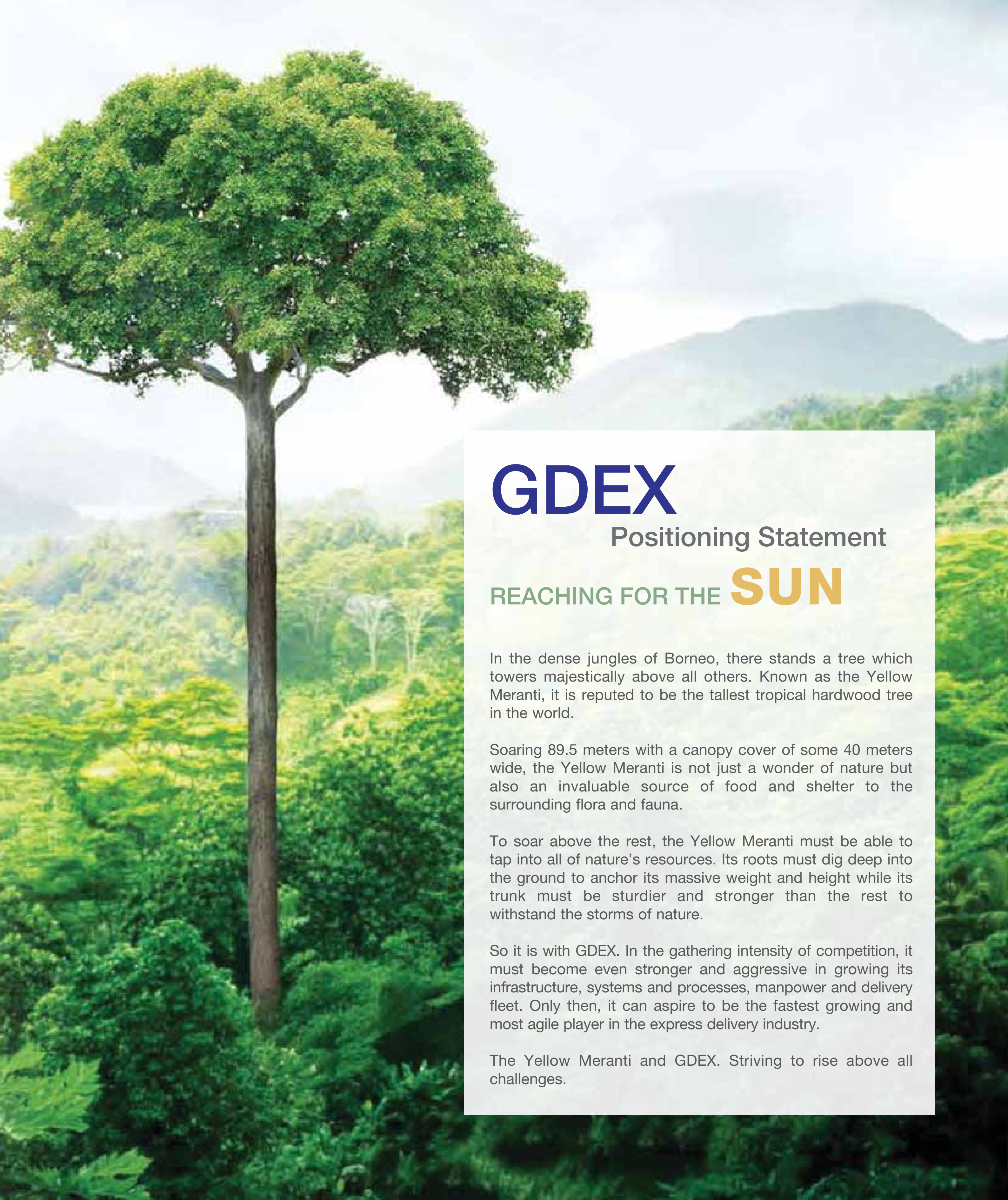


GDEX

Positioning Statement

REACHING FOR THE SUN

In the dense jungles of Borneo, there stands a tree which towers majestically above all others. Known as the Yellow Meranti, it is reputed to be the tallest tropical hardwood tree in the world.

Soaring 89.5 meters with a canopy cover of some 40 meters wide, the Yellow Meranti is not just a wonder of nature but also an invaluable source of food and shelter to the surrounding flora and fauna.

To soar above the rest, the Yellow Meranti must be able to tap into all of nature's resources. Its roots must dig deep into the ground to anchor its massive weight and height while its trunk must be sturdier and stronger than the rest to withstand the storms of nature.

So it is with GDEX. In the gathering intensity of competition, it must become even stronger and aggressive in growing its infrastructure, systems and processes, manpower and delivery fleet. Only then, it can aspire to be the fastest growing and most agile player in the express delivery industry.

The Yellow Meranti and GDEX. Striving to rise above all challenges.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' CAPT. AHMAD SUFIAN
Independent Non-Executive Chairman

TEONG TECK LEAN
Managing Director/
Group Chief Executive Officer

LIM CHEE SEONG
Executive Director/Chief Financial Officer

LEE KAH HIN
Executive Director

LIEW HENG HENG
Independent Non-Executive Director

ADI ARMAN BIN ABU OSMAN
Independent Non-Executive Director

WOO KENG LEONG
Non-Independent Non-Executive Director

CHUA KHING SENG
Non-Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Liew Heng Heng *(Chairman)*
Dato' Capt. Ahmad Sufian
Adi Arman bin Abu Osman

COMBINED NOMINATION AND REMUNERATION COMMITTEE

Adi Arman bin Abu Osman *(Chairman)*
Dato' Capt. Ahmad Sufian
Liew Heng Heng

COMPANY SECRETARIES

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

AUDITORS

Deloitte PLT *(LLP0010145-LCA)*
Chartered Accountants *(AF 0080)*
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur

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

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

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

PRINCIPAL BANKER

Malayan Banking Berhad *(3813-K)*

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK NAME AND CODE

GDEX : 0078

WARRANT NAME AND CODE

GDEX-WB : 0078WB

CORPORATE WEBSITE

www.gdexpress.com

GROUP STRUCTURE

GD EXPRESS CARRIER BHD
(630579-A)

INVESTMENT HOLDING

Listed on Main Market of Bursa Malaysia Securities Berhad

- **100% GD Express Sdn Bhd**
  Express Delivery
- **100% GD Venture (M) Sdn Bhd**
  Transportation Services
- **100% GDEX SEA Sdn Bhd**
  (formerly known as GD Technosystem Sdn Bhd)
  Investment Holding
- **100% GD Facilities and Assets Management Sdn Bhd**
  Facilities & Assets Management
  - **100% GDEX Properties Sdn Bhd**
    (formerly known as Abric Properties Sdn Bhd)
    Properties Investment Holding
- **100% GD Logistics (M) Sdn Bhd**
  Logistics Operations
  - **100% GD Distribution Services Sdn Bhd**
    Logistics Operations
  - **100% GD Secured Solutions Sdn Bhd**
    Logistics Operations
  - **100% GD Customised Solution Sdn Bhd**
    Logistics Operations
- **100% GD Express (Singapore) Pte Ltd**
  Express Delivery
- **100% GDEX Regional Alliance Pte Ltd**
  Dormant
- **100% GD Valueguard Sdn Bhd**
  Insurance Services
- **30% Web Bytes Sdn Bhd**
  Software Solutions

▷ Locally Incorporated

▷ Incorporated in Singapore

▶ Associate

DATO' CAPT. AHMAD SUFIAN

Chairman

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS

I am pleased to present my fourteenth annual statement to our fellow stakeholders for the financial year ended 30 June 2018.

The Malaysian economy continued to improve, buoyed by firmer oil prices and stronger exports. The steady recovery in oil prices, from around US$55 per barrel to above US$70 per barrel in mid-2018 bodes well as it placed more resources for developing the country. Better demand of exports (commodities, electrical and electronic products) contributed to a healthier trade balance for Malaysia. The Ringgit hovers around RM4.00 against the US dollar benchmark.

The express delivery business continued to enjoy strong growth due to the stronger demand of E-commerce. This heightened demand resulted in intense competition from the emergence of many new deep-pocketed players. Many local logistics firms joined the fray by adding last mile delivery to their portfolios. Despite these challenges, our Group continued to perform up to expectations, although our business margins were under increasing pressure.

CHAIRMAN'S STATEMENT
cont'd

DIVIDEND PAYMENT

The board of directors has declared a first and final dividend of 0.20 sen per share for every existing share. The board has also decided to continue with its dividend reinvestment plan which provides an option for the dividends received to be converted into shares.

SIGNIFICANT DEVELOPMENTS

In January this year, the Group embarked on an entrepreneurship programme tailored especially for the rural community. Called "Kampung By GDEX", this programme, a collaborative effort between Malaysian Communications and Multimedia Commission (MCMC), Telekom Malaysia Berhad, MSD Digital Intelligence Sdn Bhd, Malaysia Internet Center and GDEX, aims to promote and stimulate E-commerce activities in the rural areas.

"Kampung By GDEX" was created to help small business owners and entrepreneurs in terms of logistics, whereby GDEX offers express delivery solutions to them to promote their products to a bigger market place. This initiative will not only provide better access to express delivery services to the rural people, small business owners and entrepreneurs but also assist them to increase their earnings.

In April this year, the Group launched the GDEX Academy in collaboration with the Jabatan Pembangunan Kemahiran Malaysia (Department of Skills Development Malaysia) which is under the Ministry of Human Resources. This Academy, to be manned by certified Operations personnel in the Group, will provide first hand on-the-job training for those interested in building a career in the fast-growing express delivery industry.

In mitigating the intense competition and growing demand for express delivery services, the Group went on an accelerated expansion programme. We increased the workforce, expanded the delivery fleet, enlarged our network by adding more new branches and increased our warehouse space. A new E-commerce and Linehaul Hub was also opened in Kuching, Sarawak in October 2017. This new hub will not only increase our express delivery footprint but also enhance the development of the digital economy and E-Commerce in Sarawak.

The Group continued to affirm and strengthen its various regional tie-ups with its strategic partners. Our relations and collaboration with these partners continue to flourish with the constant sharing of information and exchange of ideas.

CHAIRMAN'S STATEMENT
cont'd

CHALLENGES AND OPPORTUNITIES

With competition in the express delivery industry growing stiffer by the day, the Group must stay focus and strive to create value to all stakeholders. While we have expanded our logistics footprints locally and regionally, we need to ensure that our operations grow in tandem with our rapid growth. We can only achieve our goals if the Group is committed to the tasks ahead.

In view of the above, there is an urgent need to continue strengthening the Group's resources for greater connectivity and to compete effectively with other players in the industry.

At the same time, the Group must understand the needs of the market and the community to devise the right product mix and marketing strategy.

THE FUTURE

The uncertainty in the global economy, due in part to the change in the US trade policy, may increase the volatility in the marketplace.

The Group must remain vigilant and stay focussed to remain ahead of the competition.

With the emerging E-commerce trends and better cross border opportunities for the express delivery sector, there is room for continued strong growth. Thus, in a market rife with competition, only the strongest, fittest and most agile will survive and receive tremendous rewards. We hope GDEX, like the Yellow Meranti tree, will rise head and shoulders above all others and be the strongest contender for the express delivery crown in the ASEAN region.

ACKNOWLEDGEMENT

I would like to thank the management and staff for their continued dedication and support to expand the Group.

My sincere thanks and appreciation also go to our customers, business associates and the various statutory and government bodies which have facilitated the Group in its operations.

I am also thankful to our shareholders for their patience and confidence in us.

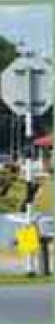
To the Board of Directors, I would like to express my admiration and sincere thanks for fulfilling your commitment and obligations. I would like to take this opportunity to thank Ms. Ho Swee Fong who has resigned as Director for her contributions.

Last but not least, I want to thank everyone for their valuable contributions. I look forward to a better year ahead.

DATO' CAPT. AHMAD SUFIAN
Chairman

CONNECTING
PEOPLE AND POSSIBILITIES

We know how important trade is to businesses, both small and large. We strive to build a delivery network that is fast and so well inter-connected that even small businesses in the rural areas can have greater opportunities and better access to bigger markets. “Kampung By GDEX” is a programme that connects the rural small businesses to bigger markets. By connecting people all over, we bring the possibilities of fresh markets and increased revenue that will eventually lead to success and prosperity.



SHIPMENT LODGE-IN CENTRE



GDEX
GD EXPRESS



TEONG TECK LEAN

Managing Director and
Group Chief Executive Officer

CHIEF EXECUTIVE OFFICER'S STATEMENT

It was a period of hectic and extremely fierce competition, whereby many cash-rich logistics players have rushed in to try grab a share of the express delivery market. It seemed every major operator in the logistics sector has jumped into the bandwagon of last mile deliveries, making it a very crowded market. The aggressive tactics of these newcomers are giving the existing operators a run for their money.

Against this tough and bruising battlefield, the Group continued to grow even though our business profit margins are under pressure. For the year ended 30 June 2018, Group profit before taxation improved 0.3 percent to RM44.6 million. This came on the back of a 17.0 percent increase in turnover to RM293.0 million. Group profit after taxation (PAT) declined 35.8 percent to RM23.6 million.

Despite the drop in PAT, the Group's EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) increased to RM61.4 million from RM57.3 million previously.

CHIEF EXECUTIVE OFFICER'S STATEMENT
cont'd

OPERATIONS

In the face of ferocious and intense competition, the Group had to adopt a very aggressive strategy to fast-track all its investment commitments and strive to strengthen every aspect of its operations to meet the challenge. During the period reviewed, we opened several new branches, acquired more trucks, embarked on expansion of the operational hub, leased bigger warehouse spaces, developed more systems and processes, trained and employed more staff and introduced more innovative products to meet customers changing needs.

We opened 13 new branches in Peninsular Malaysia and East Malaysia, bringing the total number of branches to 85 from 72. We launched a new E-commerce and linehaul hub in Kuching, Sarawak that not only enlarges our express delivery footprint but also provide greater convenience and connectivity to E-commerce customers in East Malaysia.

Early in the year, we entered into an agreement with Hino Motor Sales (M) Sdn Bhd to purchase an additional 300 units of trucks on top of the earlier purchase of 200 new trucks last year. As at financial year ended 30 June 2018, we have a total of 1,069 trucks, with a carrying capacity of 3,028 tonnes up from 2,289 tonnes previously.

We are in the process of expanding our all-weather operational hub at headquarters by upgrading and enhancing the conveyor system which will enable the Group to improve its efficiency.

All these expansionary activities necessitated an increase of manpower. During the year, we took in 475 new employees, increasing our staff strength to 3,988 from 3,513 previously.

Continuous training to improve the skills and knowledge of our staff remains our top priority to ensure there is upward mobility and talent retention. Our staff under went a total of 36,324 man hours in training compared to 37,672 man hours previously.

CHIEF EXECUTIVE OFFICER'S STATEMENT
cont'd

During the year reviewed, the Group launched GDEX Academy, a specially-designed tertiary education programme where school-leavers and those interested in building a career in the express delivery service industry can enroll as professional students. The programme, developed jointly by GDEX and the Skills Development Board of the Human Resources Ministry, will be taught by GDEX skilled operations personnel who will share their on-the-job experience and management expertise with the students. The GDEX Academy will not only engender greater professionalism but also provide a steady source of skilled manpower to the industry.

We invested heavily in our systems and processes, both software and hardware, so that the backroom operations can synchronise well with the front end to meet the increased workload. In fact, our development capabilities to improve customer experience have been further enhanced by our associate, Web Bytes Sdn Bhd, a cloud-based software developer.

We continue to churn out new innovative products to meet the increasing customers expectations. Our customised logistics solutions and warehousing services have also been strengthened with faster and more secured delivery solutions.

The review of financial performance is contained in our Management Discussion and Analysis on page 16.

COLLABORATION WITH MCMC AND THIRD PARTIES

During the year reviewed, the Group embarked on a collaborative agreement with Malaysian Communications and Multimedia Commission (MCMC) and three other parties to promote and stimulate E-commerce activities in the rural areas.

As mentioned in our Chairman's Statement, this initiative, called "Kampung By GDEX", will enable GDEX to provide express delivery solutions to rural small businesses and entrepreneurs to promote their products to bigger market place. This is done by creating special packaging products which can only be found at 15 selected Malaysia Internet Centers - in Selangor (4), Negeri Sembilan (5) and Melaka (6). All these selected Malaysia Internet Centers are appointed as GDEX Re-Seller Agency. The special price offered for the products will assist these business owners and entrepreneurs to increase their earnings.

With the current rapid growth of E-commerce activities, both in the main cities and the rural areas, we plan to open more One-Stop Centers in the rural areas to allow the villagers to have easy access to E-commerce and express delivery services. Indirectly, through the products and services offered, this can further spur the express delivery industry in Malaysia. At the same time, the rural people can sell their products easier and faster.

CHIEF EXECUTIVE OFFICER'S STATEMENT
cont'd

COLLABORATION WITH THIRD PARTIES

We continue to collaborate well with our international co-loaders as we strive to meet their exacting requirements in last mile express delivery services. Likewise, we have close rapport and cooperation with our strategic partners, Yamato and Singapore Post, while continuing to maintain good relations with our collaborative partner in Indonesia.

INVESTOR RELATIONS

We continue to have a very pro-active investor relations programme where we meet regularly with investment analysts and fund managers. In such meetings, we shared the latest market and corporate developments, as well as enunciate the rationale for our various activities to bring about better understanding of GDEX group operations.

CORPORATE SUSTAINABILITY

In striving to be a responsible corporate citizen, the management works hard to ensure future generations will continue to enjoy what we have currently, in terms of natural resources, training and education.

The management continues to focus and emphasize on our key pillars of corporate sustainability, ie, the Economy (which include the marketplace and the workplace), the Community and the Environment.

Details of our efforts are contained in our Corporate Sustainability Report on page 38.

CHIEF EXECUTIVE OFFICER'S STATEMENT
cont'd

ACKNOWLEDGEMENT

No corporation can survive without the support of its customers. We are extremely grateful for our customers' continued support. I would also like to thank our vendors, business service partners and the relevant government agencies for their support.

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

I look forward to further progress and improvement in GDEX as we strive to fulfil 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.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the financial year ended 30 June 2018, the Group continued to remain resilient and delivered positive growth in terms of revenue and EBITDA. For the financial year under review, other than incurring expenses in growing our domestic operational strength, the Group is also allocating resources to assist investee companies in growing their strength for long term value creation. The Group's bottom line in FY18 was hit by higher tax expenses which includes the partial claw-back of our pioneer tax incentive.

FINANCIAL

Group Income Statement

(RM'000)	Year Ended 30 June 2018	Year Ended 30 June 2017	Change
Revenue	292,989	250,510	17.0%
Operating Expenses	258,252	217,058	19.0%
Other Operating Income	11,729	12,254	-4.3%
Profit Before Tax	44,608	44,474	0.3%
Profit After Tax	23,627	36,829	-35.8%
EBITDA	61,429	57,265	7.3%
EBITDA Margin (%)	21.0	22.8	-1.8 ppts
ROE (%)	5.4	9.1	-3.7 ppts
ROA (%)	4.7	8.0	-3.3 ppts

In FY18, our revenue grew by 17.0% to RM293.0 million compared to RM250.5 million in FY17. This was mainly attributed to continuous growth in the e-commerce segment delivery (B2C) service. Apart from the volume growth coming from the online platform players, many brand owners are going online as well and that has been contributing to the B2C volume growth. Our business-to-business (B2B) delivery still remains as a solid foundation for GDEX despite a slower growth pace compared to B2C.

Our operating expenses are escalating in tandem with higher delivery volume. More operational staff have been hired and incentives have been revised to ensure the service quality is maintained.

Meanwhile, the Group is also incurring expenses for its investment projects, of which Advisory personnel were sent to assist the investee companies to improve areas such as governance, financial, operations and technology.

Despite all the expenses for business growth, operational expansion and investments, the Group is still maintaining its EBITDA margin at 21.0%, which will generate positive operating cash flow to reinvest for future expansion.

Our net profit or profit after tax was hit by higher tax expense in 2018, reporting a sharp drop of 35.8% year-on-year (y-o-y).

Higher tax expenses in FY2018

The Group has reported higher effective tax rate of 47.0% in FY2018, compared to 17.2% in FY2017, mainly due to two reasons:

a) The expiry of 5-year pioneer status in September 2017

b) Claw back of pioneer status tax incentive from authorities for the period February 2016 – September 2017, due to significant change in foreign ownership in the Group, post investment from Yamato Asia Pte Ltd, a 100% owned subsidiary of Yamato Holdings Co., Ltd, Japan.

The payment for (b) has amounted to additional RM8.0m tax expenses payable and the Group took the stance to clear the payment within the financial year under review. Going forward in FY2019, the tax rate will normalize back to normal corporate tax rate.

MANAGEMENT DISCUSSION AND ANALYSIS
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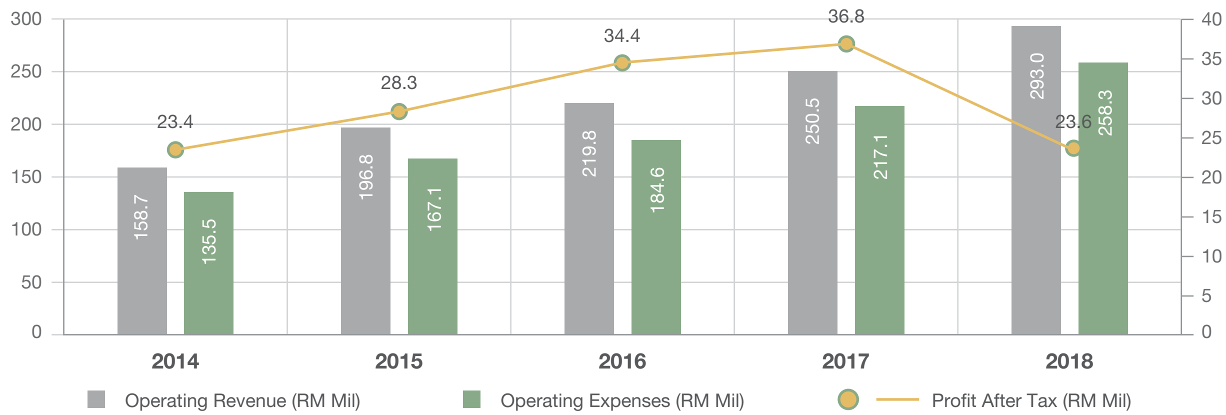
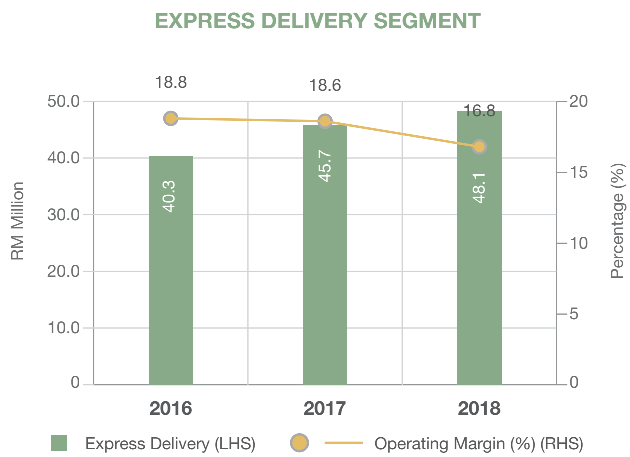
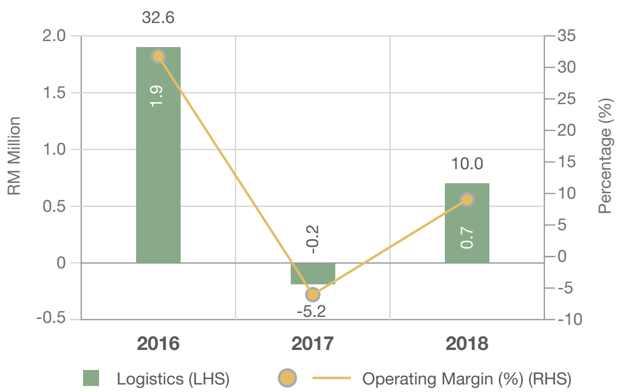


Segmental Performance

(RM'000)	Year Ended 30 June 2018	Year Ended 30 June 2017	Change
Segment Revenue:			
Express Delivery	286,095	246,122	16.2%
Logistics	6,528	4,388	48.8%
Property Investment	366	-	-
Total	292,989	250,510	17.0%
Segment Profit/(Loss):			
Express Delivery	48,135	45,718	5.3%
Logistics	652	(229)	-384.7%
Property Investment	(976)	-	-
Total	47,811	45,489	5.1%



MANAGEMENT DISCUSSION AND ANALYSIS
cont'd



Express Delivery division remains the core business of the Group while Logistics division is providing the value added services (mainly warehousing services) to the customers in the Express Delivery division. The growth in Express Delivery division was mainly due to higher demand for delivery service, while Logistics division has grown positively as it acquired more new customers in FY18. Property Investment division is a new segment for the Group post the acquisition of GDEX Properties Sdn Bhd (formerly known as Abric Properties Sdn Bhd).

The operating margin for Express Delivery division has dropped by 1.8ppts in FY18 compared to FY17 due to the intense pricing competition and increase in operating expenses, as mentioned above.

Balance Sheet of The Group

(RM'000)	As at 30 June 2018	As at 30 June 2017	Change
Property, Plant & Equipment	85,850	68,061	26.1%
Trade Receivables	51,011	49,867	2.3%
Other Receivables & Prepaid Expenses	17,558	12,215	43.7%
Deposit with Licensed Banks	253,637	289,578	-12.4%
Short Term Investment	17,036	-	100%
Cash & Bank Balances	32,640	16,760	94.7%
Total Equity	**449,681**	**426,148**	**5.5%**
Hire Purchase Payable	41,219	29,674	38.9%
Other Payables & Accrued Expenses	19,666	14,230	38.2%
Total Asset/Total Equity & Liabilities	**518,055**	**478,031**	**8.4%**
Net Asset Per Share (RM)	**0.08**	**0.08**	**-**
Debt/Equity Ratio (x)	**0.09**	**0.07**	**-**

The total liquid financial instrument as of June 2018 is RM303.3 million, which includes cash and short term investment. The Group intends to keep the balance sheet as solid as possible during this challenging period and being more prudent in expenses.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

Group Cash Flow Statements

(RM'000)	Year Ended 30 June 2018	Year Ended 30 June 2017	Change
Net Cash generated from Operating Activities	27,095	31,711	-14.6%
Net Cash used in Investing Activities	(55,265)	27,764	-299.0%
Net Cash generated from Financing Activities	(13,787)	(12,194)	13.1%
Net Change in Cash & Cash Equivalents	(41,957)	47,281	-188.7%
Cash & Cash Equivalents at end of the year	**32,708**	**74,772**	**-56.3%**

The drop in Net Cash generated from Operating Activities was mainly due to higher tax payment arisen from the tax claw back. All in all, cash flow for the Group still remains healthy for operations and future growth.

Investments

PT SAP Express in Indonesia

GDEX subscribed to the 5-year convertible bonds of PT Satria Antaran Prima (SAP) worth RM10.38 million in Dec 2016. Despite challenging operating environment in Indonesia, SAP is on track in growing its presence in the industry. The Group has been assisting SAP in terms of providing financial and technological advice in order to stabilize its financial and operations. As of June 2018, SAP is in the midst of applying to be listed on the Development Board of Indonesia Stock Exchange by October 2018.

Web Bytes Sdn Bhd

GDEX has acquired 30% stake in Web Bytes Sdn Bhd (WebBytes) since Dec 2016, for total consideration of RM5.5 million. WebBytes has been focusing more on rolling out new products in the period of July 2017 to June 2018. On top of growing its client base in the cloud-based point-of-sales (POS) system, the company has successfully rolled out new products for the period under review such as: a) Mobile POS, b) self-service kiosks and c) warehouse management system. These newly rolled-out products are gaining traction but will take some time to contribute significantly to the company.

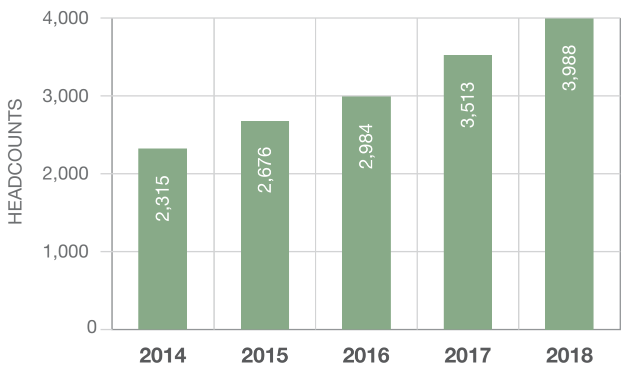
At the same time, WebBytes is exploring the opportunities to expand to Southeast Asia region as well, such as to Indonesia, Thailand, Cambodia and Vietnam.

One of the key reasons GDEX acquired 30% stake in WebBytes is to create technological synergies within the Group. WebBytes knowledge and technical know-how in the cloud computing and new era technology has been very helpful in assisting the Group in co-development projects such as a) GDEX mobile apps for courier, b) myGDEX cash portal and c) GDEX mobile apps for customers. More enhancement and products will be co-developed in future.

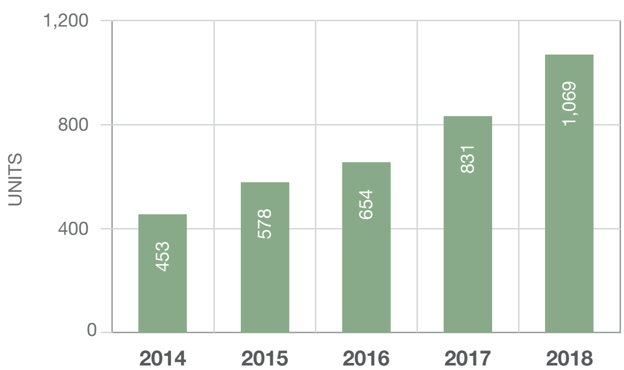
MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

OPERATION

STAFF STRENGTH



FLEET SIZE
(NO. OF TRUCKS & VANS)



For the financial year ended June 2018, the Group is operating 209 stations: 4 hubs, 85 branches, 59 agents, 24 lodge-in-centers, 30 contractors, 6 collections points and 1 neighbourhood network in Malaysia.

The Group has also expanded its sorting hub capacity to handle bigger volume. Apart from the HQ Hub in Petaling Jaya, the Group is also operating another 3 regional hubs, namely, Northern Hub in Penang, Southern Hub in Johor and Kuching Hub in Kuching.

The Group also has expanded its fleet size to 1,069 units of vehicles in FY18, from 831 units in FY17. This is to cater for the delivery volume growth especially in the E-Commerce segment.

In line with the business volume growth, GDEX Group has a total workforce of more than 3,988 headcount as of June 2018.

TECHNOLOGY ADVANCEMENT

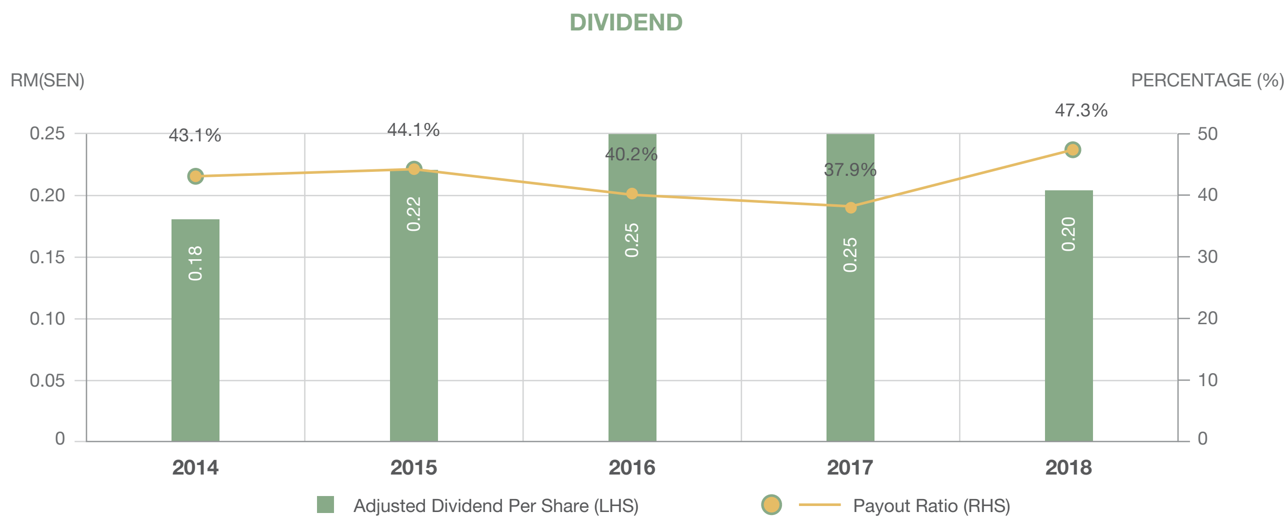
The Group acknowledges the importance of technology in changing the competitive landscape. We have rolled out mobile apps for couriers and customers as well as our own online cash portal.

MOVING FORWARD

The Group expects the competition within the industry to remain intense due to influx of new players with pricing strategy and operating in a more agile model leveraging on technology. The Group is positioning itself to embrace the challenge by continuing to improve its operational capabilities and innovations to stay relevant and ahead of its competitors. Meanwhile, the Group is pro-actively seeking for strategic investment opportunities to enhance its long-term competitiveness.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

DIVIDEND

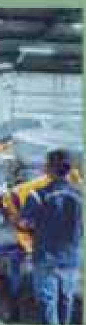


The Group has announced a proposed dividend payout of 0.20 sen (or RM0.002) per share for its FY18, equivalent to 47.3% dividend payout ratio, subject to shareholders approval in the upcoming Annual General Meeting.

EMBARKING ON **ACCELERATED EXPANSION**

Demand for express delivery services has never been greater than in recent years and this has put tremendous pressure on GDEX to have the necessary facilities – infrastructure, people, network, and transportation systems – ready to support this phenomenon. With intense competition from all sides, we have no choice but to embark on an accelerated expansion of our operations, like building of a new hub in Kuching, Sarawak, upgrading the automatic sorting system in HQ, expanding the warehouse and storage facility, increasing the vehicle fleet and boosting the various processes to improve customer experience.







BOARD OF DIRECTORS

standing from left to right

WOO KENG LEONG

TEONG TECK LEAN
(Managing Director/
Group Chief Executive Officer)

DATO' CAPT. AHMAD SUFIAN
(Chairman)

BOARD OF DIRECTORS
cont'd

LIEW HENG HENG

ADI ARMAN BIN ABU OSMAN

LIM CHEE SEONG

LEE KAH HIN

CHUA KHING SENG

DIRECTORS' PROFILE

Dato' Capt. Ahmad Sufian
Independent Non-Executive Chairman
Malaysian, Male, aged 69

Dato' Capt. Ahmad Sufian was appointed to the Board on 8 February 2005. He is currently a member of the Combined Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee. He is the Independent Non-Executive Chairman of 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, Male, aged 58

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

Lim Chee Seong
Executive Director/Chief Financial Officer
Malaysian, Male, aged 52

Mr Lim was appointed to the Board on 10 April 2015. Mr Lim has a total of more than 25 years working experience in accounting, auditing, taxation, risk 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 was promoted as Chief Financial Officer in February 2014 and involved in the strategic planning of the Group. Mr. Lim had obtained and holds the following memberships and qualifications:

- Certificate and Diploma in Taxation from HELP Institute (currently known as HELP University)
- Certified Accounting Technician and Fellow member of the Association of Chartered Certified Accountants (ACCA), United Kingdom
- Member of Malaysian Institute of Accountants (MIA)
- Member of Malaysian Institute of Certified Public Accountants (MICPA)
- Associate member of Chartered Tax Institute of Malaysia (CTIM)
- Professional member of the Institute of Internal Auditors Malaysia (IIA)
- Member of the ASEAN Chartered Professional Accountants (ACPA)

Lee Kah Hin
Executive Director
Malaysian, Male, aged 32

Mr Lee was appointed to the Board on 23 May 2017. He graduated with a Bachelor of Science (Honors) in Statistics from University of Malaya. He is also a CFA (Chartered Financial Analyst) charter holder. Mr Lee 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 RHB 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 the RHBOSK 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 AsiaTop Stock Pickers under the transportation category. He joined GD Express in December 2014 and is involved in strategic planning, business development and investment. He is in charge of the Group's strategic investments.

DIRECTORS' PROFILE
cont'd

Liew Heng Heng
Independent Non-Executive Director
Malaysian, Female, aged 61

Ms Liew was appointed to the Board on 8 February 2005. She is currently the chairman of the Audit and Risk Management Committee and a member of the Combined Nomination and Remuneration Committee. She graduated from Systematic Institute Kuala Lumpur in 1993 and holds a certificate from the Chartered Institute of Management Accountants in 1993. She started her career as an Accounts Assistant with the New Straits Times Berhad in 1981. She then joined several other companies holding positions of Accounts Supervisor, Audit Assistant and Assistant Accountant. She completed her CIMA Certification in 1993 and joined Niramas Sdn Bhd as Accountant. From 1997 to 2002, she joined Southim (M) Sdn Bhd as Accountant before assuming the role of a Senior Finance and Administration Manager in Bison Stores Sdn Bhd where she is currently based. In 2012, she was redesignated as Senior Manager, Business Analyst. At present, she is a member of Malaysian Institute of Accountants (MIA) since 1994.

Woo Keng Leong
Non-Independent Non-Executive Director
Singaporean, Male, aged 63

Mr Woo was appointed to the Board on 12 February 2015. He is the Chief Executive Officer, Postal Services of Singapore Post and is focused on the quality of postal services, as well as the sustainability of the mail business, which is the backbone of eCommerce Logistics services. He is also responsible for SingPost's international postal relationships.

Mr Woo joined SingPost in 1980, when it was the Singapore Postal Services Department, on a posting as a Public Service Commission scholar. He has been responsible for transforming SingPost's Postal business into one of the most efficient and admired postal service providers in the world.

Mr Woo sits on the boards of DataPost Pte Ltd, Famous Air & Sea Services Pte Ltd, Famous Holdings Pte Ltd, FPS Global Logistics Pte Ltd, GD Express Carrier Berhad, General Storage Company Pte. Ltd., L+S Self Storage Pte. Ltd., Lock and Store (Glenmarie) Sdn Bhd, Lock+Store (Ayer Rajah) Pte. Ltd., Lock+Store (Chai Chee) Pte. Ltd., Lock+Store (Tanjong Pagar) Pte. Ltd., Quantium Solutions (Philippines) Inc, Quantium Solutions (Taiwan) Co., Ltd, Singapore Post Enterprise Private Limited, SingPost Centre (Retail) Pte. Ltd., SingPost Distribution Pte. Ltd., SingPost Ecommerce II Pte. Ltd., SingPost eCommerce (Korea) Co., Ltd, SingPost eCommerce (Malaysia) Sdn Bhd, SingPost eCommerce (Thailand) Co., Ltd, SingPost eCommerce Logistics Holdings Pte Ltd, SingPost Investments (eCommerce Logistics) Pte. Ltd., SingPost Investments (Tampines) Pte. Ltd., SingPost Investments (Toh Guan) Pte. Ltd., SingPost Investment Pte. Ltd., SingPost Logistics Investments Pte. Ltd., SingPost Storage Company Limited and the Singapore Philatelic Museum. He is also a member of Singapore's Stamp Advisory Committee.

Mr Woo obtained a Bachelor of Arts with Honours degree from Nanyang University in Singapore, and has completed an International Post Office Management course in the UK.

DIRECTORS' PROFILE
cont'd

Chua Khing Seng
Non-Independent Non-Executive Director
Singaporean, Male, aged 60

Mr Chua was appointed to the Board on 26 May 2016. He obtained his Bachelor of Mechanical Engineering degree in 1982 from the Tokyo Institute of Technology in Japan under the Japanese Mombusho and Singapore Government scholarships.

Mr Chua is currently the Chairman of the Board of Yamato Asia Pte Ltd ("Yamato Asia") and an Executive Officer of Yamato Holdings Co., Ltd. ("Yamato Holdings") in Japan. Yamato Asia is a 100% subsidiary of Yamato Holdings. Yamato Holdings is public listed in the Tokyo Stock Exchange and is the largest parcel delivery service company in Japan with its Ta-Q-Bin having over 40% of the Japanese market.

Before joining Yamato, Mr Chua was the Managing Director of Yusen Logistics Singapore. Yusen Logistics group is a subsidiary group of the NYK Shipping group. Mr Chua started his career with Yusen Logistics in 1999 as the General Manager for Corporate Planning and Marketing. He also oversaw the CIO and Sales responsibilities concurrently in 2001-2002. He was promoted to a board director in 2003 and put in charge of South Asia & Oceania Region. In June 2005, he became the first non-Japanese Managing Director of an overseas company in the Yusen Logistics group worldwide.

During his tenure with Yusen Logistics, he helped set up a Joint Venture ("JV") in Thailand as a spin-off in 2002 and played a pivotal role in the identifying of partners in the Shanghai JV in 2002. In 2004 he set up the JV in Vietnam to tap on the growing markets for logistics and international freight services in Vietnam.

Mr Chua also serves as a member of Temasek Polytechnic Business School Advisory Committee (2007-2017); he is the Immediate Past President of The Japanese University Graduates Association of Singapore (2008-2012); and also a Council Member of the Singapore Aircargo Agents Association (2009-2017).

Adi Arman Bin Abu Osman
Independent Non-Executive Director
Malaysian, Male, aged 44

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

1. ***Family relationship with Directors and/or Major Shareholders***
   Save for following, none of the Directors have any family relationship with other Directors and/or major shareholders of the Company:

   Mr Teong Teck Lean and his spouse, Madam Wang Herng Tsuey are substantial shareholders and directors of GD Express Holdings (M) Sdn Bhd (GDEHM) and GD Holdings International Limited (GDHIL) in which Mr Teong, GDEHM and GDHIL are substantial shareholders of the Company.

2. ***Conflict of Interest***
   None of the Directors have any conflict of interest with the Company.

3. ***Conviction for Offences (other than traffic offences)***
   None of the Directors had any conviction for offences (other than traffic offences, if any) within the past five (5) years or been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2018.

4. ***Attendance at Board Meetings***
   Details of the Directors' attendance at the Board Meetings are disclosed in the Corporate Governance Overview Statement on page 51 of this Annual Report.

KEY SENIOR MANAGEMENT

standing from left to right

SIA MING DIONG **CHONG HUI CHUEN** **KWOK NGUK MOOI** **ONG CHONG ENG**

KEY SENIOR MANAGEMENT
cont'd

THOO SIN KHEW

CHAN LAI WAH

MARMIZAHSALWA AHMAD TARMIZI

HAZLIN BIN ABU HASAN

TIANG CHEN CHEN

KEY SENIOR MANAGEMENT PROFILE

Sia Ming Diong

Head, Information Technology

Malaysian, Male, Aged 55

Mr Sia graduated with a Bachelor of Science Degree from Monash University, Victoria, Australia in 1986. He has over twenty years of Information Technology (IT) experience, starting as Analyst Programmer with Link Automation Pte Ltd in 1988. He joined Systems Design Pte Ltd as Systems Engineer in 1989. Mr Sia worked as IT Consultant in Gleneagles Hospital Singapore in 1992, and as IT Manager with Raffles Medical Group Ltd in 1996. He was Group IT Manager with United Malayan Land Bhd in 2000 and Atlan Holdings Bhd in 2007 prior to joining GD Express as IT Manager in 2013.

Chong Hui Chuen

Advisor, Process Innovation
Stand-In Head, Business Service and Support Group

Malaysian, Female, aged 37

Ms Chong graduated with a Bachelor of Engineering (Honors) in Electronic Systems Engineering from Sheffield Hallam University, UK in 2003. She started her career in the semiconductor industry, joining StatsChipPAC (M) Sdn Bhd as Test Engineer in 2004 and then Intersil Services Company Sdn Bhd as Lead Test Engineer in 2007. Ms Chong joined GD Express in November 2013 and is involved in process innovation, efficiency improvement, systems development and enhancement. In May 2017, she was given additional portfolio as Stand-In Head for Business Service and Support Group which oversees the Billing, Credit, Sales Support, Claim, Compensation & Insurance (CCI), Customer Service, Customer Care Centre (CCC) and Secured Shipment Project Dept. (SSPD).

Kwok Nguk Mooi

Head, Quality Assurance, Risk Management and Measurement Group

Malaysian, Female, aged 44

Ms Kwok holds an International Advanced 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. She is an Associate Member of The Institute of Internal Auditors Malaysia.

KEY SENIOR MANAGEMENT PROFILE
cont'd

Ong Chong Eng
Advisor, Special Project
Malaysian, Male, aged 55

Mr Ong graduated from Systematic Institute of Information Technology, Singapore in Business Computing in 1984. During his working career, he obtained industrial certifications in project management, business process management, HR development, server system engineering.

His first 4 years of working career were primarily in IT technical positions, starting with Digital Electronics in 1984. He moved on to business process automation with Liveware Technologies for the next 10 years.

For the past 14 years, he had been in operation and management consulting, project management and business development, with Halal eCommerce, Kong & Co, SPAD, EPF and Matrix Optics, prior to joining GD Express in October 2016.

Thoo Sin Khew
Head, Business Group
Malaysian, Male, aged 53

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 Head of Sales under the Business Group. In July 2015, he was promoted as Head of Business Group which oversees Sales, Business Development and Marketing. He is responsible for the full compliance of sales policies and achieving the sales and collection targets of the Group.

KEY SENIOR MANAGEMENT PROFILE
cont'd

Chan Lai Wah
General Manager, Corporate Group
Malaysian, Female, aged 60

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.

Ms Chan is a director of GDEX Foundation, a company limited by guarantee.

Marmizahsalwa Ahmad Tarmizi
Manager, Special Projects
Malaysian, Female, aged 37

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.

KEY SENIOR MANAGEMENT PROFILE
cont'd

Hazlin Bin Abu Hasan
Head, Country Operations
Malaysian, Male, aged 45

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 to oversee the Courier Division. In July 2016, he was given the additional portfolio to lead the Hub and Linehaul operations as well as National Network development. He is responsible for the effective, efficient planning and coordination of courier operations for Malaysia and Singapore.

Tiang Chen Chen
Head, National Network Development
Malaysian, Female, aged 48

Ms Tiang started her career as Account Assistant with See Hoy Chan Sdn Bhd in 1993 and moved to Ching and Associates as Senior Audit Executive in 1995. She later joined RHB Investment Bank Berhad (formerly known as OSK Securities Berhad) as Dealer's Assistant in 1998 before joining GD Express Sdn Bhd in 2000 as management trainee. Over the years, she held various positions in the company. In her current position, she is responsible for the implementation of national network expansion, plan, develop and maintain an effective network infrastructure and also ensuring network agents service quality. On 8 December 2013, she received Bachelor of Business (Honours) in Logistics and Supply Chain Management from Wawasan Open University.

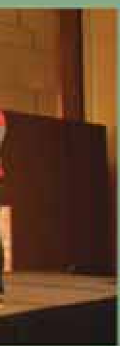
Save as disclosed above, none of the key senior management:

1. *Hold any directorship in public companies and listed issuers.*
2. *Has any family relationship with any Director and/or major shareholder of the Company.*
3. *Have any conflict of interest with the Company.*
4. *Had any conviction for offences (other than traffic offences, if any) within the past five (5) years or been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2018.*

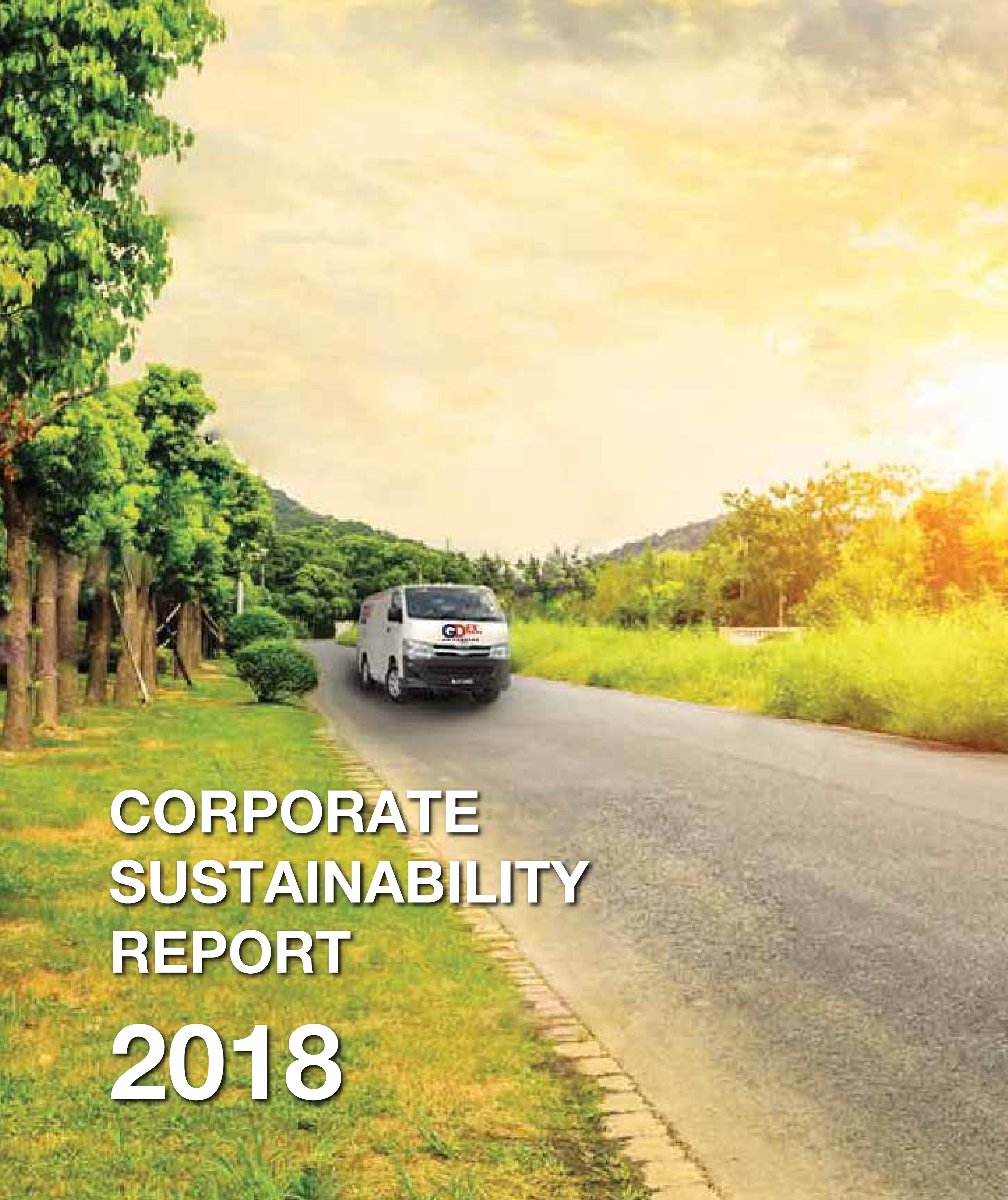
BUILDING A WELL - TRAINED AND MOTIVATED WORKFORCE

The provision of fast, easy connectivity, reliable and speedy delivery, courteous and helpful service is what GDEX aspires to do at all times. We strive to ensure our people, whether front line or back end, are committed to good delivery service principles. We provide training, career development and innovative benefits as well as a secure workplace for our people to learn and grow. A well-trained and motivated workforce, in turn, will ensure that every shipment carries with it the GDEX promise of a "delivery service you trust."







CORPORATE SUSTAINABILITY REPORT 2018

INTRODUCTION

How does a corporation sustain or even maintain its growth momentum in a world that is evolving at an increasingly fast pace and interdependent on so many other factors like technology changes, trade, environment, people and product innovations? A corporation may do well today but changes in any of the above factors may bring about a sudden loss of market, product obsolescence, and even its demise if it is neglected over time.

It is thus important for corporations to have a proper corporate sustainability plan which is able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

GDEX views corporate sustainability as a business approach that creates long-term consumer and employee value by developing a “green-based” strategy aimed toward the natural environment and taking into consideration every dimension of how a business operates in the social, cultural, and economic environment. This plan should also include strategies to build a company that fosters longevity through transparency, ethical practices and proper employee development.

While it is important to meet and deliver key performance indices (KPIs) targets and financial returns, it is equally important to formulate a Corporate Sustainability programme that can increase revenue, reduce waste and energy expenses, increase employee productivity and commitment and lessen strategic and operational risks. GDEX’s corporate sustainability plan is encapsulated in its four pillars of sustainability, that is, The Economy, The People, The Community and The Environment.

CORPORATE SUSTAINABILITY REPORT 2018
cont'd

I. THE ECONOMY

The express delivery business is not just about delivering documents or parcels. It is about connecting people with goods, services, ideas and technologies to create opportunities in the marketplace. To do so, we need to understand the economy around us – the social-political trends, geo-political trade and technological changes. Across East and West Malaysia, Singapore and Indonesia (through our strategic alliances), GDEX is making these connections which in turn generate jobs, foster economic prosperity and lifting communities to higher standards of living.

To ensure our business sustainability in this area, we focus on the following:

- Customers
- Suppliers, Vendors and Business Partners
- Government and Regulator
- Stakeholders and Investors

Customers

Delivering a positive customer experience is always at the top of our priority list. We constantly strive to connect our customers to their markets and thereby increase possibilities for their benefits. We also ensure relevancy in our products and services by offering cost effective and innovative product packages and solutions, thus, 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 requirement of our customers.

By using our nationwide transportation network, logistics expertise and the dedication of our team members, we hope to reduce risks and provide greater benefits to our customers.

Suppliers, Vendors and Business Partners

Our suppliers, vendors and business partners will always play a vital role in our business operations. While 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, we also expect them to continually keep abreast of all technological changes that have a positive impact on the products and services provided to the Group. We also conduct supplier evaluation exercise on a yearly basis to ensure suppliers meet the quality standards.

CORPORATE SUSTAINABILITY REPORT 2018
cont'd

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 education, road safety and orderly industry growth. We also gave inputs into the training and building of skills set to enhance the human resource aspect of the industry.

Our officials, representing AMEC, meet regularly with the authorities, in particular, the Malaysian Communications and Multimedia Commission (MCMC) to give inputs and ideas on how best to develop the industry.

We also liaised with other regulatory authorities such as Road Transport Department (JPJ), Safety and Health Regulators (DOSH), Malaysian Institute of Road Safety Research (MIROS) and Traffic Police Division in matters concerning our own road safety activities and other developments. Our annual road safety championship, for instance, has the endorsement of JPJ, DOSH, MIROS and the Traffic Police Department.

Stakeholders and Investors

We always prioritise our shareholders interests by ensuring the group is managed in a responsible, transparent and profitable manner with the required corporate governance and cost controls in place. We also ensure there is continued and sustainable growth with dividends 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 such as annual report, announcement of quarterly results and other important corporate announcement. We also organise regular briefings for investment analysts to update their knowledge and understanding of the Group.

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

CORPORATE SUSTAINABILITY REPORT 2018
cont'd

STAKEHOLDER	KEY ENGAGEMENT AREA	METHOD OF ENGAGEMENT
THE ECONOMY: The Marketplace		
Customers	• Service Satisfaction • Innovative Offerings • Security Protection • Customer Service Profit • Customer Appreciation	• Customer Survey • Feedback on GDEX Website, Facebook & Twitter • Enhanced Liability Coverage • Refresh Through Campaigns/Promotions Events Sponsorship (MIA conference, festive customer appreciation) • After Sales Service
Suppliers, Vendors & Business Partners	• Supplier Evaluation • Integrators Collaboration • Agents & Contractors • Suppliers Code of Conduct	• Compliance with ISO Standards • Yearly supplier evaluation • Agent Workshop • Co-load for international delivery • Visitation to Suppliers Factories/Plants
Government & Regulator	• Licensing • Courier Industry Development Plan • Courier Industry Rules & Regulations • Courier Industry Code of Practice • Personal Data Protection Act 2010 • Goods and Services Tax • E-commerce Development Plan • Safety and Health Campaigns	• Seminar/conference • Participation through AMEC with MCMC Customer Awareness through website, • Staff awareness through seminar & training • Participation with MITI and MDEC Visitation to Government Agencies • Participation with DOSH, JPJ, MIROS, PDRM, JKJR (Jabatan Keselamatan Jalan Raya).
Stakeholders & Investors	• Corporate Governance • Shareholders' Interests • Investor Relations	• Annual Report • Announcements to Bursa Malaysia • Annual General Meeting and Extraordinary General Meeting • Dividends • Investor Relations Website Analyst Briefing and Roadshows

CORPORATE SUSTAINABILITY REPORT 2018
cont'd

II. THE PEOPLE

The workplace is where we nurture and develop our human capital. It is where we train and groom our 4,000 plus workforce to enable them to handle responsibilities in an effective and efficient manner. We strive to ensure that our people work in a safe, inclusive environment where there are enough incentives and room for continued career development through the following programmes and activities:

Training

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

Our Multimedia Remote Learning programme, launched in 2011, has undergone numerous upgrades and improvements to reflect the latest teaching and learning techniques. This programme enables our training to reach our vast network in all parts of the Peninsular and East Malaysia. In the process, it has raised the number of training hours to an average of 30,000 hours from 20,000 hours previously and reduce training costs substantially.

We also send our executives to attend specialised management seminars and participate in workshops and industry exhibitions so that they are kept abreast of latest development and changes in the logistics industry. The programmes attended included the Unclaimed Moneys Act, Personal Data Protection Act, Risk Management & Management Seminars and MFRS 9 & 15 Accounting Standards organised by the relevant agencies.

GDEX Academy for education and on-the-job Training

GDEX aims to be the express carrier of choice for future generations of Malaysians. To strengthen this objective, the group has introduced a GDEX Academy for school or college leavers to experience first hand proper training in express delivery. This Academy, to be manned by certified operational personnel in the Group, will enable students to familiarise themselves with actual on-the-job logistics and express delivery operations, and in the process, prepare them for a career in the express delivery industry.

CORPORATE SUSTAINABILITY REPORT 2018
cont'd

Network Conference and Teambuilding

We organised a one day network conference annually where executives from supervisors level onwards, come together from all over the country to share their work experience and to be briefed on the Group's plans and directions going forward. It is also a time for bonding and re-affirming their commitment and solidarity to the Group's vision and mission.

We place great importance in affirming our people with activities like team-building and motivational workshops to build their knowledge, interpersonal 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 appreciate and recognise the efforts of our people as well as foster a family spirit and a sense of belonging for our staff.

Safety, Health and Security

Building an inclusive workplace means looking after the welfare, health and safety aspects of our employees. We do not compromise on this area. Through our Safety and Health Committee, we continue to ensure safety measures to minimize accidents at the workplace. The committee also carried out other safety-related activities such as fire drills for the entire workforce and defensive driving contests for the drivers to fine-tune and enhance their driving skills. Our Road Safety championships is organised for our motor-cycle couriers and truck drivers to showcase their driving skills with an eye on road safety. This annual event is endorsed by Jabatan Pengangkutan Jalan (JPJ), Malaysian Institute of Road Safety (MIROS) and the Traffic Police Division. We are committed to maintain a workplace that is free from theft, violence, harassment, intimidation and other unsafe and disruptive influence 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.

CORPORATE SUSTAINABILITY REPORT 2018
cont'd

STAKEHOLDER	KEY ENGAGEMENT AREA	METHOD OF ENGAGEMENT
THE PEOPLE: The Work-place		
Employee	• Human Capital Development • Corporate Headquarters & Network Branches • Health & Wellness • Safety & Security • GDEX Academy	• Quarterly Newsletter • Weekly Operational Briefs • Training • Teambuilding Activities • Operational Safety and Health Committee • Corporate Events • Staff Interaction Subsidy • Staff Assistance Scheme • Driving Competition • Fire Drills • Hotel & Accommodation • Shuttle Bus service • Network Conference

CORPORATE SUSTAINABILITY REPORT 2018

cont'd

III. THE COMMUNITY

We continued to engage the Community through various social and educational activities. Our approach to social responsibility, however, is evolving. Instead of merely giving hand outs to the needy and less fortunate, we are striving to create opportunities for the needy to become more self-reliant. That means, instead of providing the needy with a fish to eat everyday, we are teaching them how to use a fishing rod to catch a fish to meet their own survival.

This is evident in our new "Kampung By GDEX", a community-based programme launched together with the Malaysian Communications and Multimedia Commission (MCMC) and three other parties to promote and stimulate E-commerce activities in the rural areas.

The "Kampung By GDEX" initiative entails GDEX providing express delivery solutions to rural small businesses and entrepreneurs to promote their products to bigger market places. This is done by creating special packaging products which can only be found at 15 selected Malaysia Internet Centers - in Selangor (4), Negeri Sembilan (5) and Melaka (6). All these selected Malaysia Internet Centers are appointed as GDEX Re-Seller Agency. The special price offered for the products will assist these business owners and entrepreneurs to increase their earnings.

With the current rapid growth of E-commerce activities, both in the main cities and the rural areas, we plan to open more One-Stop Centers in the rural areas to allow the villagers to have easy access to E-commerce and express delivery services. Indirectly, through the products and services offered, this can further spur the courier service industry in Malaysia. At the same time, the rural people can sell their products easier and faster.

As part of our social and humanitarian programme, our CSR team continues to conduct annual visits to several orphanages, handicapped homes and orang asli community, 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.

Our Group is committed to natural disaster relief programmes whereby our GDEX trucks stand ready to deliver emergency aid, food and water rations to victims of natural disasters. A case in point was the East Coast Monsoon floods in 2015 where we ferried emergency food rations and water to stranded flood victims on the East Coast.

CORPORATE SUSTAINABILITY REPORT 2018
cont'd

STAKEHOLDER	KEY ENGAGEMENT AREA	METHOD OF ENGAGEMENT
THE COMMUNITY:		
	• CSR Involvement • Education • Community Support & Development • GDEX Foundation • "Kampung By GDEX" • Kuching E-commerce Hub	• 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 • Rural entrepreneurship programme • Job opportunities for Sarawakians

IV. THE ENVIRONMENT

We continued to use our expertise in efficiency to fine tune and minimise our environmental footprint, especially in the use of fossil fuels and carbon emissions. While Malaysia has yet to switch to the more environmentally friendly electric vehicles as a means of transportation, we are looking at alternative means such as bio-diesel, hybrid vehicles to minimize our fuel usage and carbon emissions. We continued to fine tune and enhance the integration of our ISO-14001:2015 Environmental Management System with our ISO 9001:2015 Quality Management System which enabled us to strengthen our environment-friendly activities in areas of waste disposal and reduction of carbon emissions.

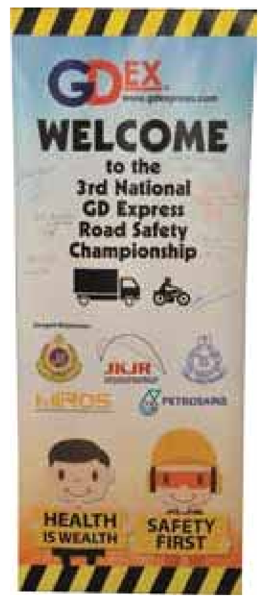
We have a purpose-built waste disposal shed where all petroleum and lubricant waste are stored and systematic disposed according to a scheduled waste disposal programme.

We also embarked on a programme to reduce the carbon footprints of our 1000-odd vehicles by replacing the old equipment with catalytic converters that are more fuel-efficient and emits less carbon. For instance, we replaced our one-tonne and three-tonne city trucks with lighter and more fuel efficient vans that are suited to city driving, enabling us to save on fuel and reduce carbon emissions. For the long haul sector, we are using more 40-foot container trucks that are fuel efficient and can carry four times the load of the smaller trucks.

We continued with our 3R (Reduce, Reuse and Recycle) initiatives which brought significant cost savings in electricity, fuel and stationery. Our staff is encouraged to go on-line for their correspondence and reports to minimize paper usage. They are also constantly reminded to switch off all electrical appliances when not in use. Our truck drivers are also instructed to switch off their engines to reduce idling and conserve fuel. Such efforts go a long way in inculcating a culture of saving and thrift and in the process, support our campaign against waste and environmental degradation.

CORPORATE SUSTAINABILITY REPORT 2018
cont'd

STAKEHOLDER	KEY ENGAGEMENT AREA	METHOD OF ENGAGEMENT
THE ENVIRONMENT:		
	• Carbon Emission • Proper Maintenance of Vehicles • Scheduled Waste Disposal • 3R (Reduce, Reuse, Recycle) • ISO Certification	• Adopting latest fuel & carbon emission technology • Repair and maintenance workshop • Purpose – built waste disposal shed • ISO 9001:2015 (Quality Management System) • ISO 14001:2015 (Environmental Management System)



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the "Board") of GD Express Carrier Bhd (the "Company") is collectively responsible for good corporate governance of the Company. The Board acknowledges that maintaining a good corporate governance is essential to enhance the long-term growth and corporate value of the Company as well as delivering sustainable growth in the interests of all its shareholders and other stakeholders. Accordingly, it is the Board's responsibility to ensure that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance (the "MCCG") are observed and practiced throughout the Company and its subsidiaries (the "Group").

This Corporate Governance Overview Statement (the "Statement") has been prepared in accordance with paragraph 15.25(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and it provides an overview of the application of the three (3) key principles set out in the MCCG. The Board believes that this new code of corporate governance will ensure the highest standards of transparency, integrity and accountability in all the Group's businesses. This Statement should be read together with the Corporate Governance Report which can be found on the Company's website at *www.gdexpress.com*.

This Statement describes how the Group has applied the corporate governance practices of the MCCG during the financial year ended 30 June 2018.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is accountable and responsible for the overall governance, management, performance and strategic direction of the Group in accordance with the Group's goals and objectives. Therefore, it is the responsibility of the Board to oversee the effective performance of the Management in order to protect and enhance shareholder value and to meet the Company's obligations to its employees and other stakeholders. In performing its role, the Board has a formal schedule of matters specifically reserved for its decision and these cover the Group's strategy, risk management, major items of capital expenditure, approval of quarterly and annual financial statements and budget, approval of dividends, acquisitions and disposals of assets and appointment of Directors and Board Committees.

The current Board is led by experienced and competent Board members of whom three (3) are Executive Directors, three (3) are Independent Non-Executive Directors and two (2) are Non-Independent Non-Executive Directors. Each Director has a suitable background, qualification, skills and relevant knowledge to ensure that they have a proper understanding of the Group's operations and business and are able to challenge and facilitate discussion and decision making.

A brief profile of each Director is presented in the Directors' Profile section of the Annual Report.

The roles of Chairman and Managing Director/Group Chief Executive Officer are separated to ensure that sufficient attention is given to carrying out their roles effectively. There is a clear division of responsibility between the Chairman and the Managing Director/Group Chief Executive Officer. The Company is headed by an Independent Non-Executive Chairman who is responsible for leading the Board as well as ensuring its effectiveness in all aspects of its role.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

I. Board Responsibilities *cont'd*

As stipulated in the Limits of Authority, the Managing Director/Group Chief Executive Officer is responsible for day-to-day management of the Group including implementing the corporate strategy and policy agreed with the Board and report to the Board on the status of implementation, including progress toward each of the planning activities and challenges/problems faced by the Group. The Managing Director/Group Chief Executive Officer is also accountable to the Board for all authority delegated to Executive Management and Senior Management. This delegation includes the authority to approve operational and capital expenditure, execution of contracts, procurement, litigation and matters of human resources such as promotions and dismissal of employees. The Limits of Authority also sets out the specific thresholds reserved for Management decisions, which are subject to regular reviews to reflect the dynamic expansion/changes within the Group. Any changes to the authority limits of the the Managing Director/Group Chief Executive Officer will require the Board's approvals.

The Managing Director/Group Chief Executive Officer is assisted by two (2) Executive Directors who oversee the day-to-day running of the business, including finance, organisation effectiveness, developing, co-ordinating and implementation of 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.

Apart from the above, the Executive Committee was established in 2016 to approve and undertake the transactions on behalf of the Board in respect of each investment and/or disinvestment project within an authorised limit. The Executive Committee consists of the Chairman, Independent Directors, Executive Directors and Senior Management. All actions of the Executive Committee are subjected to the approval of the full Board according to the Limits of Authority endorsed by the Board. The Executive Committee reports these activities to the full Board.

The Independent Non-Executive Directors play an important part in assisting the Chairman to fulfil their role by regularly and rigorously assessing the effectiveness of the board's processes and activities. The presence of Independent Non-Executive Directors bring an independent perspective to the board meeting and they act constructively to challenge the decisions and proposals made by Executive Directors and review the performance of the business and management. They also have the ability to make independent analytical inquiries. The Board has delegated some of its responsibilities to the Audit and Risk Management and Combined Nomination and Remuneration Committees.

The Audit and Risk Management and Combined Nomination and Remuneration Committees have their own written terms of references. The Chairman of these committees will report to the Board on salient matters deliberated in the committees meetings together with their recommendations.

The roles and responsibilities of the Board, Management, Board Committees and individual Directors are set out clearly in the Board Charter. In May 2018, the Board Charter, Code of Ethics and Conduct for Directors and Key Officers and Whistleblowing Policy and Procedures had been reviewed and amended to be in line with the MCCG. The Code of Ethics and Conduct for Directors and Key Officers was formulated to enhance the standard of corporate governance and to establish a standard of ethical behaviour for Directors and Key Officers of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

I. Board Responsibilities *cont'd*

The Whistleblowing Policy and Procedures was formalised to provide an avenue for employees to disclose information about malpractice or wrongdoing they discover occurring in GDEX.

The Board Charter, Code of Ethics and Conduct for Directors and Key Officers and Whistleblowing Policy and Procedures are available on the Company's website at *www.gdexpress.com*.

The Board meets at least five (5) times a year, at quarterly intervals which are scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. The Board and Board Committees meetings are conducted in accordance with a structured Agenda. The Agenda for each Board and Board Committee together with the relevant reports and Board and Board Committees papers are forwarded to the Directors and Board Committees at least seven (7) working days prior to the meetings of the Board and Board Committees so as to allow the Directors and Board Committees have sufficient time to peruse the agenda papers and review the issues well ahead of the meeting date for effective discussions and decision making during the meetings. 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 which is evidenced by satisfactory attendance record of the Directors at Board meetings and Board Committees meetings.

The details of Directors' attendance during the financial year are set out as follows:

Directors	Board Meetings	Audit and Risk Management Committee Meetings	Combined Nomination and Remuneration Committee Meetings
Dato' Capt. Ahmad Sufian	5/5	5/5	1/1
Teong Teck Lean	5/5	Non Member	Non Member
Liew Heng Heng (f)	5/5	5/5	1/1
Adi Arman Bin Abu Osman	5/5	5/5	1/1
Woo Keng Leong	5/5	Non Member	Non Member
Lim Chee Seong	5/5	Non Member	Non Member
Chua Khing Seng	5/5	Non Member	Non Member
Ho Swee Fong (f) *(Resigned on 27 August 2018)*	5/5	5/5	1/1
Lee Kah Hin	5/5	Non Member	Non Member

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

I. Board Responsibilities *cont'd*

The Board is supported by two (2) qualified external Company Secretaries who have requisite knowledge and experience to carry out their functions of company secretary. The Directors have full access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively.

The Company Secretaries play 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 Secretaries also provide administrative and secretarial support to the Company.

II. Board Composition

An effective Board needs to have the right group of people, considering each individual's background, skills, knowledge and experience, diversity (e.g. age, gender, culture) and how to bring a group of individuals to work together as a team and assist the Company to achieve its goals. Considerations include the size, composition and time commitments required for the Board members to fulfil their duties effectively.

The current Board comprises professionals from different ethnic, cultural and backgrounds to ensure that each other's viewpoints and concerns are fully considered in the decision making process. The Board believes that both genders are to be given fair and equal opportunity regardless of age, diverse backgrounds and ethnic origin. Currently, there is only one (1) female Independent Non-Executive Director on the Board which account for 12.5% of the total Board members following the resignation of a female Senior Independent Non-Executive Director on 27 August 2018. In pursuing its gender diversity agenda, the Board is committed to have higher female representation on its Board when necessary and have the appropriate director candidate. Any new appointments of female Director to the Board shall be based on her experience, qualifications, merit and other attributes.

The Board's current diversity is as follows:-

Board of Directors	Gender		Ethnicity			Age Group (Years)			
	Male	Female	Bumiputera	Chinese	Indian	30-39	40-49	50-59	60 and above
	7	1	2	6	-	1	1	2	4

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. Board Composition *cont'd*

The Group is committed to workplace diversity ensuring that the Group values and respects the differences and that the workplace is fair, accessible, flexible, inclusive and free from discrimination. Based on the following summary of the employment gender diversity, there is balanced gender diversity across all the levels of employees in the Company during the financial year under review:

Category of Employees	Female		Male		Total
General Staff	714	17.90%	2,934	73.57%	3,648
Supervisory	64	1.60%	73	1.83%	137
Managerial	17	0.43%	186	4.67%	203
Total No. of Employees	**795**	**19.93%**	**3,193**	**80.07%**	**3,988**

The Board through the Combined Nomination and Remuneration Committee periodically reviews the size, structure and overall composition of its Board to ensure that the total number and balance of Directors are appropriate given the size and complexity of the operations and nature of business of the Group. During the financial year 2018, the Combined Nomination and Remuneration Committee conducted an annual review of the Board's size and composition. The evaluation of the Board, its Board Committees and of each Director was carried out through a self and peer assessment that was completed by each Director and reviewed by the Combined Nomination and Remuneration Committee. This evaluation focuses on the Board's contribution to the Company over the preceding year, including areas in which the Board believes the Board's future contribution could be enhanced. The Combined Nomination and Remuneration Committee was satisfied that the existing size, composition, mix of skills, competence, knowledge, experience and independence of the Board members are appropriate to enable them to carry out its responsibilities effectively. The Board has adopted the Diversity Policy and is available on the Company's website at *www.gdexpress.com*.

The MCCG provides that at least half of the Board must comprise Independent Directors. The Board takes cognizance of the recommendation of the MCCG but it has not adopted this corporate governance best practice at this juncture. Nonetheless, the Board will take the appropriate steps to review and discuss the merits of increasing the number of Independent Board members that could bring a different and wider range of perspectives as well as could bring knowledge and expertise in areas where the Management's knowledge may be lacking.

The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Where the tenure of Independent Director exceeds a cumulative term of nine (9) years, the Board would justify its decision and seek shareholders' approval at the Annual General Meeting to retain an Independent Director beyond nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. Board Composition *cont'd*

Currently, the Company has two (2) long serving Independent Directors namely Dato' Capt. Ahmad Sufian and Ms Liew Heng Heng whose tenure have exceeded twelve (12) years. Their long tenure with the Company has neither impaired nor compromised their independent judgement and demonstrate their strong commitment to the Company. Furthermore, they have a thorough understanding of the Group's business activities to enable them to participate actively in the Board and Board Committees' deliberation and decision making.

Dato' Capt. Ahmad Sufian being the Board Chairman is able to lead the Board effectively while Ms Liew Heng Heng being the Chairperson of Audit and Risk Management Committee possesses strong financial literacy skills. The Combined Nomination and Remuneration Committee had conducted an annual assessment of Independence of Dato' Capt. Ahmad Sufian and Ms Liew Heng Heng and concluded that Dato' Capt. Ahmad Sufian and Ms Liew Heng Heng are able to perform their duties independently without undue influence from other persons. The Board is satisfied with the level of independence demonstrated by the Independent Directors during the financial year and their ability to act in the best interest of the Group.

According to the Constitution of the Company, all Directors shall retire from office at least once in every three (3) years or at least one-third (1/3) of the Directors shall retire but shall be eligible to offer themselves for re-election at the Annual General Meeting. Pursuant to Clause 96 of the Company's Constitution, Mr Woo Keng Leong, Mr. Chua Khing Seng and Mr Lim Chee Seong will retire by rotation at the forthcoming Annual General Meeting, being eligible, will offer themselves for re-election. The Combined Nomination and Remuneration Committee had made recommendations to the Board on re-election of Mr Woo Keng Leong, Mr Chua Khing Seng and Mr Lim Chee Seong. The Board is satisfied with their skills and contribution of these retiring Directors and recommends their re-election as Directors of the Company which is to be tabled at the forthcoming Annual General Meeting.

The Board has delegated to the Combined Nomination and Remuneration Committee the authority to identify, evaluate and recommend to the Board potential new candidates for Board membership. The potential candidate may be proposed by existing Director, Senior Management, shareholders or third party referrals. Upon receipt of the proposal, the Combined Nomination and Remuneration Committee is responsible to conduct an assessment and evaluation on the proposed candidate.

In the assessment and selection of new director candidate, the Combined Nomination and Remuneration Committee shall take into account criteria such as backgrounds, mix and diversity of skills, experience, integrity, wisdom, independence of the candidate, ability to work as a team to support the Board, qualification, knowledge and expertise that would add value to the Board and the willingness to devote adequate time and commitment to carry out his/her duties and responsibilities effectively. The assessment/evaluation process may include, at the CNRC's discretion, reviewing the candidate's resume, curriculum vitae and other biographical information, confirming the candidate's qualifications and conducting legal and other background searches as well as formal or informal interview at the Combined Nomination and Remuneration Committee's discretion. Upon completion of the assessment and evaluation of the proposed candidate, the Combined Nomination and Remuneration Committee would make its recommendation to the Board. Based on the recommendation of the Combined Nomination and Remuneration Committee, the Board would evaluate and decide on the appointment of the proposed candidate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. Board Composition *cont'd*

The Combined Nomination and Remuneration Committee meets at least once in a year with additional meetings to be convened, if necessary. During the financial year under review, the Combined Nomination and Remuneration Committee met once and deliberated on the following:

(a) the results of Directors' self-assessment in respect of the mix of skills and experience of each individual Director including the core competencies of the Non-Executive Directors;
(b) the structure, size, composition (including gender diversity) and effectiveness of the Board as a whole and Board Committees;
(c) the level of independence of Directors;
(d) the re-election of Directors pursuant to the provisions of the Company's Constitution;
(e) the independent directors with cumulative term of more than twelve (12) years; and
(f) Directors' training.

The Board through the Combined Nomination and Remuneration Committee shall assess the training needs of the Directors and recommend appropriate educational and training programmes for continuous development of its Directors. The continuing education and training of the Directors is an on-going process as the Directors recognise the need to continually develop and refresh their skills and knowledge and to update themselves on the developments in the related industry and business landscape as well as the latest update and developments on the legislation and statutory requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. Board Composition *cont'd*

Details of training programmes attended by each Director during the financial year under review are as follows:-

Name of Directors	Training Programmes	Date
Dato' Capt. Ahmad Sufian	2017 IIA Malaysia National Conference	9 October 2017
	Recent amendments to Bursa's Listing Requirement and CG Guide	14 May 2018
Teong Teck Lean	3rd Seminar on Services Trade Promotion focusing on Courier & Transport by ASEAN Japan Center	11 September 2017
	SIDC Business Foresight Forum	25 October 2017
	World Capital Markets Symposium	7 February 2018
	Panel 3: DFTZ - Opportunities & Challenges for the Transportation & Logistic Industries	8 February 2018
	TN50 Dialogue Session	9 March 2018
	Briefing on BNM's Annual Report & Financial Stability & Payment System Report 2017	29 March 2018
	Impact on MFRS 9 Financial instruments on Receivables	16 May 2018
	Recent amendments to Bursa's Listing Requirement and CG Guide	14 May 2018
	2018 Cainiao Global Smart Logistics Summit	31 May 2018
Liew Heng Heng (f)	Recent amendments to Bursa's Listing Requirement and CG Guide	14 May 2018
	Impact on MFRS 9 Financial instruments on Receivables	16 May 2018
Adi Arman bin Abu Osman	30% Club Business Leaders Roundtable Meeting	5 March 2018
	Recent amendments to Bursa's Listing Requirement and CG Guide	14 May 2018
	Impact on MFRS 9 Financial instruments on Receivables	16 May 2018
Woo Keng Leong	Recent amendments to Bursa's Listing Requirement and CG Guide	14 May 2018

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. Board Composition *cont'd*

Name of Directors	Training Programmes	Date
Lim Chee Seong	CFO Dialogue 2017: The New Business As Usual – Globalisation, Digitalisation, Disruption	31 October 2017
	Deloitte TaxMax – The 43rd Series Seminar	22 November 2017
	Deloitte International Tax Symposium 2018 – Navigating The New Landscape Confidently	3 May 2018
	Recent amendments to Bursa's Listing Requirement and CG Guide	14 May 2018
	Impact on MFRS 9 Financial instruments on Receivables	16 May 2018
Chua Khing Seng	Recent amendments to Bursa's Listing Requirement and CG Guide	14 May 2018
Ho Swee Fong (f) *(Resigned on 27 August 2018)*	Women Leadership in a multi-cultural environment	22 September 2017
	Malaysian Investor Relations Association: Setting the ESG Agenda for Sustainability Reporting	31 October 2017
	MINDA - CG Breakfast Series with Directors: Integrating an Innovation Mindset with Effective Governance	7 November 2017
	MIRA - Boardroom Annual Conference 2017: Thriving Or Just Surviving? Why Your Business Can't Afford To Ignore Compliance Regulations! Includes 2018 Budget & Tax Implications!	22 November 2017
	MIRA - Knowledge Sharing: IR Insights and Dialogue with IR Practitioner (Trainer)	17 January 2018
	Corporate Governance Briefing Sessions: MSSG Reporting & CG Guide	16 March 2018
	Recent amendments to Bursa's Listing Requirement and CG Guide	14 May 2018
	Impact on MFRS 9 Financial instruments on Receivables	16 May 2018
Lee Kah Hin	Recent amendments to Bursa's Listing Requirement and CG Guide	14 May 2018
	Impact on MFRS 9 Financial instruments on Receivables	16 May 2018

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

III. Remuneration

The Combined Nomination and Remuneration Committee and the Board are mindful of the need to remunerate and retain its Directors and Senior Management to ensure that their commitment remains and therefore their remuneration package is directly linked to their performance, service, seniority, experience and scope of responsibilities.

The Combined Nomination and Remuneration Committee is responsible for developing a formal and transparent policy and framework on the Directors' remuneration, which including that of the Executive Directors, and recommend to Board for approval. The remuneration of Directors is determined at levels which enable the Group and the Company to attract and retain Directors with the relevant experience, knowledge and expertise to assist in managing the Group effectively.

The remuneration of the Directors is determined on the basis of market benchmarking and the Group's performance taking into account the performance, the level of contribution of individual Directors, their responsibilities and the number of meetings attended.

The Executive Directors do not participate in decisions with regard to their own remuneration package. The Directors' remuneration package is determined and approved by the Board as a whole following the relevant recommendations made by the Combined Nomination and Remuneration Committee, with the Directors concerned abstaining from deliberations and voting on his/her own remunerations.

During the financial year 2018, the Combined Nomination and Remuneration Committee had reviewed the Non-Executive Directors' fees and benefits as well as the remuneration of Executive Directors and recommended the same to the Board for approval. The proposed Directors' fees and benefits for the financial year ending 30 June 2019 will be tabled for the shareholders' approval on the forthcoming Annual General Meeting of the Company.

The detailed disclosure of the remuneration of the individual Directors during the financial year under review is as follows:

Received from the Group

Non-Executive Directors

No.	Name of Directors	Fees (RM)	Defined contribution plan (RM)	Salaries and other emoluments (RM)
1.	Dato' Capt. Ahmad Sufian	42,000	-	62,480
2.	Liew Heng Heng (f)	55,200	-	10,200
3.	Adi Arman bin Abu Osman	55,200	-	11,800
4.	Ho Swee Fong (f) *(Resigned on 27 August 2018)*	57,000	-	13,200
5.	Woo Keng Leong	-	-	-
6.	Chua Khing Seng	-	-	-
Total		**209,400**	**-**	**97,680**

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

III. Remuneration *cont'd*

Received from the Group *cont'd*

Executive Directors

No.	Name of Directors	Fees (RM)	Defined contribution plan (RM)	Salaries and other emoluments (RM)
1.	Teong Teck Lean	-	30,960	305,033
2.	Lim Chee Seong	-	35,028	317,458
3.	Lee Kah Hin	-	26,069	251,610
Total		**-**	**92,057**	**874,101**

Received from the Company

Non-Executive Directors

No.	Name of Directors	Fees (RM)	Defined contribution plan (RM)	Salaries and other emoluments (RM)
1.	Dato' Capt. Ahmad Sufian	42,000	-	62,480
2.	Liew Heng Heng (f)	55,200	-	10,200
3.	Adi Arman bin Abu Osman	55,200	-	11,800
4.	Ho Swee Fong (f) *(Resigned on 27 August 2018)*	57,000	-	13,200
5.	Woo Keng Leong	-	-	-
6.	Chua Khing Seng	-	-	-
Total		**209,400**	**-**	**97,680**

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

III. Remuneration *cont'd*

Received from the Company *cont'd*

Executive Directors

No.	Name of Directors	Fees (RM)	Defined contribution plan (RM)	Salaries and other emoluments (RM)
1.	Teong Teck Lean	-	30,960	305,033
2.	Lim Chee Seong	-	35,028	317,458
3.	Lee Kah Hin	-	26,069	251,610
Total		**-**	**92,057**	**874,101**

The Company's policy and procedures for the remuneration of Directors and Senior Management are set out in the Directors' Assessment and Remuneration Policy and a copy of the said policy can be found on the Company's website at *www.gdexpress.com*.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

While risk assessment and the internal audit are different processes, the Board assigned its risk oversight function to Audit Committee by combining the functions of the Audit Committee and Risk Management Committee in 2013 and known as "Audit and Risk Management Committee".

Currently, all the three (3) members of Audit and Risk Management Committee of the Company are Independent Non-Executive Directors. The Chairperson of the Audit and Risk Management Committee, Ms Liew Heng Heng, is a member of the Malaysian Institute of Accountants. All members of the Audit Committee and Risk Management Committee are able to read and understand fundamental financial statements of the Company.

The Audit and Risk Management Committee undertakes its role and responsibilities as are set out in written Terms of Reference. The Audit and Risk Management Committee overseeing the financial reporting and disclosure process, the system of internal controls and risk management as well as the internal and external audit functions. The Audit and Risk Management Committee has full access to any information it requires pertaining to the Group from the Management as well as the Company's internal and external auditors who have access at all times to the Chairman of the Audit and Risk Management Committee. The Terms of Reference of the Audit and Risk Management Committee outlining the composition and duties and responsibilities are available on the Company's website at *www.gdexpress.com*.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

I. Audit and Risk Management Committee *cont'd*

In safeguarding and supporting the External Auditors' independence and objectivity, the Audit and Risk Management Committee has formalised the External Auditors Assessment Policy which spells out the selection process of new external auditors, assessment of independence, basic principles on the prohibition of non-audit services and the approval process for the provision of non-audit service. At least twice a year, the Audit and Risk Management Committee shall meet with the External Auditors to discuss their audit plan, areas of audit focus, audit analytics, audit findings and the Company's and the Group's audited financial statements. These meetings are held without the presence of the Executive Directors and Management. 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 contents of audit report.

The Audit and Risk Management Committee has carried out an assessment of the independence, performance and suitability of Messrs. Deloitte PLT and the Audit and Risk Management Committee was satisfied with the independence, performance and suitability of External Auditors based on the quality of services, the competency and industry knowledge of external audit staff and sufficiency of resources they provided to the Group. Based on its assessment of the independence and performance of Messrs. Deloitte PLT, the Audit and Risk Management Committee has recommended to the Board the re-appointment of Messrs. Deloitte PLT as External Auditors for the shareholders' approval at the forthcoming Annual General Meeting.

The Board through the Combined Nomination and Remuneration Committee evaluated the performance and term of office of Audit and Risk Management Committee to ensure it functions effectively. The Board is satisfied that the Audit and Risk Management Committee has effectively and efficiently discharged their duties.

II. Risk Management and Internal Control Framework

The Board has ultimate responsibility for reviewing the Group's risks, approving the risk management framework policy and overseeing the strategic risk management and internal control framework of the Group.

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

The Internal Audit Services Charter, approved by the Audit and Risk Management Committee, set out the nature, purpose, authority and responsibility of the internal audit function.

The Statement on Risk Management and Internal Control set out in this Annual Report provides an overview of the risk management and internal processes within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Company recognises the importance of the use of information technology for effective and timely dissemination of information that serves as a direct line of communication with shareholders and investors by way of timely dissemination of information of the Company's performance and major development.

The Group 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 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 that communications to the investing public about the Company comply with the disclosure requirements as stipulated in the Main Market Listing Requirements of Bursa Securities.

II. Conduct of General Meetings

The Company recognises the need for shareholder engagement, which is reflective of the Board's fiduciary duties to the shareholders and is of the view that clear and consistent communication encourages a better appreciation of the Group's business and activities, and allows the Group's businesses and prospects to be evaluated properly.

The Annual General Meeting provides a privileged opportunity for shareholders to share their views and communicate with the Board. Shareholders attending the Annual General Meeting will be given a reasonable opportunity to participate in the Annual General Meeting and vote on matters.

All Board members, including the Chairperson/Chairman of Audit and Risk Management Committee and Combined Nomination and Remuneration Committee, attended and participated in 2017 Annual General Meeting.

Currently, the Notice of the Company's Annual General Meeting is circulated to shareholders at least twenty eight (28) days before the date of the meeting to enable shareholders to go through the Annual Report and explanatory notes/papers supporting the resolutions proposed before making any decision in relation to the proposed resolutions. This is in line with best practices of MCCG.

All the resolutions set out in the Notice of the Annual General Meeting were put to vote by poll voting. The poll results were confirmed and verified by an independent scrutineer appointed by the Company.

A summary of key matters discussed at the Annual General Meeting will be published on the Company's website as soon as practicable upon being reviewed by the Board members and approved by the Chairman.

This Statement is made in accordance with the resolution of the Board of Directors dated 4 October 2018.

ADDITIONAL COMPLIANCE INFORMATION

1. MATERIAL CONTRACTS

During the financial year ended 30 June 2018, 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 2018 were as follows:-

Nature of Transaction	Company involved in the Transaction	Related Company	Interested Directors/ Substantial Shareholders/ Persons Connected to Directors or Substantial Shareholders	Actual Value for the year ended 30 June 2018 (RM)
Provision of express delivery services	GD Express (S) Pte Ltd (“GD(S)”)[(1)]	Singapore Post Limited (“SingPost”)[(3)]	Mr Woo Keng Leong[(4)]	10,128.51
Provision of express delivery services	GD Express Sdn Bhd (“GDSB”)[(2)]	Quantium Solutions International (Malaysia) Sdn Bhd (“QSI(M)”)[(5)]	Singpost	1,947,779.91
Provision of express delivery services	GD(S)	Quantium Solutions (Singapore) Pte Ltd (“QS(S)”)[(6)]	Singpost	120,734.11
Provision of postal services and express delivery services	GDSB	Yamato Transport (M) Sdn Bhd (“YTSB”)[(7)]	Yamato Asia Pte Ltd (“Yamato Asia”)[(8)]	1,544,547.70
Provision of advisory services	GD Express Carrier Bhd	Yamato Asia	Mr Chua Khing Seng[(9)]	(117,645.16)
Provision and development of software solution	GD Express Carrier Bhd	Web Bytes Sdn Bhd	Teong Teck Lean[(10)] Lee Kah Hin[(11)]	(125,640.71)

Notes:-
1. *(1) GD(S), a wholly-owned subsidiary of the Company.*
2. *(2) GDSB, a wholly-owned subsidiary of the Company.*
3. *(3) SingPost, a substantial shareholder of the Company.*
4. *(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. *(5) QSI(M), an indirect 66%-owned subsidiary of Singpost.*

ADDITIONAL COMPLIANCE INFORMATION
cont'd

2. RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE cont'd

Notes:-

(6) QS(S), an indirect 66%-owned subsidiary of Singpost.
(7) YTSB, a subsidiary of Yamato Asia Pte Ltd.
(8) YMT Asia, a substantial shareholder of the Company.
(9) Mr Chua Khing Seng is the Managing Director & Group CEO of Yamato Asia Pte Ltd and an Executive Officer of Yamato Holdings Co., Ltd.
(10) Mr Teong Teck Lean is the Director of Web Bytes Sdn Bhd.
(11) Mr Lee Kah Hin is the Director of Web Bytes Sdn Bhd.

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. AUDIT AND NON-AUDIT FEES

For the financial year ended 30 June 2018, the total amount of audit and non-audit fees paid/payable to the external auditors, and firms affiliated to external auditors were as follows:-

	The Company (RM'000)	**The Group (RM'000)**
Audit Fees	51,000.00	158,910.00
Non-Audit Fees	90,000.00	90,000.00

4. UTILISATION OF PROCEEDS

During the financial year ended 30 June 2018, the Company did not undertake any corporate proposal to raise proceeds except for the following:-

(i) Received the proceeds of RM701,797 from the exercise and conversion of 1,834,764 Warrants "B" at an exercise price of RM0.3825 per ordinary share.

(ii) Received the proceeds of RM13,270,751 from the issuance of 24,552,737 new ordinary shares pursuant to the Dividend Reinvestment Plan.

The proceeds were utilised for general working capital and business expansion purposes of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In accordance with the principles set out in the Malaysian Code on Corporate Governance ("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 Chapter 15, paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors for Listed Issuers.

BOARD'S RESPONSIBILITY

The Board recognises the importance of a sound risk management framework and internal control system for good corporate governance, and acknowledges its primary responsibility for the adequacy and integrity of the Group's systems of risk management and internal control including the identification of principal risks in the Group, measured and managed with appropriate internal control measures, as well as review of its effectiveness, particularly the financial, operational, and compliance aspects of the Group throughout the financial year. However, the Board also acknowledges that 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 mitigation against material misstatement of management and financial information and records or against financial losses or fraud.

The Group has established an on-going process to identify, evaluate and manage significant risks faced by the Group and its achievement of objectives and strategies. 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, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely preventive and corrective actions as needed, and for providing assurance to the Board that the procedures have been carried out. In this regard, the Board has obtained assurance from the Managing Director and Executive Directors/ 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, and nothing has come to their attention that may have a material impact on the business and operations of the Group which in turn may affect the Group's financial performance during the current financial year ended 30 June 2018 under review.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

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

Key risks of major business and operating units are identified, assessed and categorised to highlight the source of risk, their impacts and the likelihood of occurrence. The risk profile of the major business and operating units of the Group are monitored by its respective senior management. As such, 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, and 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 Limits of Authority ("LOA")***

The Group maintains an effective organisation structure with clear objectives, responsibilities, authority and segregation of duties. The authority levels which duly approved by the Board are appropriately delegated with clear and proper documentation. The limits are regularly reviewed, revised as the need arises, and approved by the management and/or the Board in accordance to their LOA, in line with changes in business, structural and operational perspectives.

o ***Corporate Philosophy***

The Group's culture is guided by a set of philosophy, which includes core values, management principles, and corporate 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 which govern the Group's core business. 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 property, plant and equipment.

o ***Human Resource***

The Group has an effective human resource policy that is guided by the Group's corporate core values, which clearly articulates the knowledge, skills and professionalism, abilities and behavior expectation of its employees. 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 provides relevant training to the employees to ensure continuous improvement and embarked on an individual development plan for functional competency to upskill and reskill its employees as well as to strengthen career management and succession planning.

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 ***Work 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, to ensure strategies optimisation and relevance, before escalating them to the Board for review and approval.

  A comprehensive work plan and budgeting process is established requiring all key business and 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***

  The insurance coverage of the Group's major assets are reviewed annually and/or when is necessary to do so. 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.

- o ***Management Committee***

  Various Management Committees at senior level have been established by the Management to assist and support the Board to oversee areas such as business operations, risk management, information technology system and infrastructure, system implementation and support, investment appraisal as well as staff disciplinary issues etc. These include the Group's Executive Committee, IT Steering Committee and Disciplinary Action Committee.

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 ("ARMC"). The ARMC is assisted by the internal audit function in discharging its duties and responsibilities by providing the Board with the assurance it requires on the adequacy and integrity of the system of internal controls. The ARMC has an oversight function of all activities carried out by the Internal Audit Unit. On a periodic basis, the ARMC 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 and findings that are brought to the attention of the ARMC 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 unit.

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 *cont'd*

The internal audit function is undertaken by an in-house team and adopts a risk-based approach in preparing audit plan that is reviewed and approved by the committee. The audit plan covers review of the risk exposures and control processes implemented by the management, review of the critical areas within the Group including the adequacy of operational controls and information systems, compliance with established policies and procedures. 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. The internal audit reports summarising the results of periodic internal audit visits are presented to the ARMC 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, and to safeguard shareholders' investments and the Group's assets. In this regard, the ARMC reviews and evaluates the adequacy and effectiveness of the risk management function within the Group. Risk management of individual operating units are delegated to the respective Executive Directors and Senior Management, and 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 risks identified, based on the severity of the impact and the likelihood of occurrence.

The ARMC reviews report on key risk assessment and ensure that the internal audit programs cover identified principal risks. The areas covered are set out in the yearly internal audit plan that was endorsed and approved by the ARMC. Audit findings served as key feedback to validate effectiveness of risk management activities and embedded internal controls. The team reviews implementation progress of previously outlined actionable programs and evaluate post implementation effectiveness.

The ARMC, 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 risks as well as to discuss, deliberate and address matters associated with strategic, compliance, regulatory, financial and operational facets of 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*

4. Audit and Risk Management Committee

The ARMC of the Group reviews 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 ARMC 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 ARMC's meetings are tabled to the Board every quarter. Further details of the activities undertaken by the ARMC 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 improve and strengthen the risk and control environment and monitor the health of the risk and internal controls framework.

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 2018 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 4 October 2018.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("Board") of GD Express Carrier Bhd ("the Company") is pleased to present the report of the Audit and Risk Management Committee ("Committee" or "ARMC") for the financial year ended 30 June 2018.

COMPOSITION AND ATTENDANCE AT MEETINGS

The composition of the ARMC comprises the following three (3) Independent Non-Executive Directors:-

Name	Designation
Liew Heng Heng* (f)	*Chairman, Independent Non-Executive Director*
Dato' Captain Ahmad Sufian	*Member, Independent Non-Executive Director*
Adi Arman bin Abu Osman	*Member, Independent Non-Executive Director*
Ho Swee Fong (f) *(Resigned on 27 August 2018)*	*Member, Senior Independent Non-Executive Director*

* *Member of Malaysian Institute of Accountants*

During the financial year ended 30 June 2018, the Committee met five (5) times and the attendance records of the Committee are shown on page 51 of this Annual Report.

The Company's internal and external auditors, Executive Director cum Chief Financial Officer and Senior Management are normally invited to attend the meetings.

The Chairman of the Committee will report formally to the Board on its proceedings after each meeting.

The Combined Nomination and Remuneration Committee ("CNRC") had on 3 October 2018 reviewed on the term of office and performance of the Committee and each of its members. The CNRC is satisfied that the Committee carried out its duties in accordance with its Terms of Reference.

The full Terms of Reference of the Committee are available at the Company's website at *www.gdexpress.com*.

SUMMARY OF WORKS OF THE ARMC

The Committee had carried out the following works during the financial year ended 30 June 2018 in discharging its duties and responsibilities:

1. Financial Reporting

(a) Reviewed the unaudited quarterly financial results of the Group. The Committee had sought explanations and additional information from the Executive Director cum Chief Financial Officer and the Management on the reasons for variances/fluctuations in the financial performance of the Group, including the key income and operating expenses, before recommending the same to the Board for approval.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

SUMMARY OF WORKS OF THE ARMC *cont'd*

1. Financial Reporting *cont'd*

(b) Reviewed and discussed the annual audited financial statements of the Group and the Company with the External Auditor, Messrs. Deloitte PLT ("Deloitte") with particular focus on significant matters highlighted in their management letter, including financial reporting issues, significant judgements made by the Management, significant and unusual events or transactions, if any, and how these matters are addressed, and the responses/actions taken by the Management on resolution of such issues, prior to submission to the Board for their approval. The review was to ensure that the financial reporting and disclosures requirements are in compliance with:

- Provisions of the Companies Act 2016;
- 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 Deloitte the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements, including accounting estimates and assumptions, going concern, materiality and related disclosures.

2. Internal Audit

(a) Reviewed and discussed the internal audit plan as well as internal audit reports (covered from headquarter and branches) which were tabled during the meetings, the audit recommendations for improvements to existing system of internal controls and work processes are made to the Management for resolutions where necessary, as well as the Management's response to these recommendations.

(b) Reviewed and discussed the Risk Management Reports which identified high and key risks as well as new and emerging risks and control mechanism.

(c) Reviewed and discussed the implementation of the corrective actions taken by Management in response to audit findings raised in the audit reports and ensure that they had been taken to rectify the weaknesses highlighted and all the key audit findings and control lapses have been addressed effectively and efficiently.

(d) Reviewed and assessed the competency of the internal audit function.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

SUMMARY OF WORKS OF THE ARMC *cont'd*

3. External Audit

(a) Reviewed and discussed audit updates presented by Deloitte on the matters arising from the audit of the Group and the Company for the financial year ended 30 June 2018.

(b) Reviewed and discussed with Deloitte their audit planning memorandum which set out audit strategy, scope of work, key audit matters and proposed audit fees.

(c) Reviewed the annual audited financial statements of the Group and the Company prior to submission to the Board for approval and release the same to Bursa Malaysia Securities Berhad.

(d) Reviewed and discussed Deloitte's observations, the results of the annual audit and management letter together with management's responses to the findings.

(e) Assessed and discussed the performance and effectiveness of Deloitte, including independence, objectivity and reporting, professional scepticism, communication, interaction, experience and expertise, audit finalisation, the quality of skills and capabilities of audit staff, resources as well as the terms of engagement. The Committee is satisfied with the performance of Deloitte who remain effective, objective and independent.

(f) Met with Deloitte in private sessions without the presence of the Management to discuss further with them other issues of concern, if any, arising from the audit and there were no significant audit issues were highlighted.

4. Related Party Transactions

(a) Reviewed the recurrent related party transactions ("RRPT") of a revenue or trading nature entered into by the Company and its subsidiaries, and considered any related party transactions and conflict of interest situation that may or have arisen within the Company or the Group including any transactions, procedure or course of conduct that raises questions on management integrity; and

(b) Reviewed the draft Circular to Shareholders in relation to the proposed renewal of shareholders' mandate and proposed new shareholders' mandate for RRPT of a revenue or trading nature prior to submitting the same to the Board for consideration and approval as well as to Bursa Securities for perusal and approval.

5. Others

(a) Reviewed the ARMC Report, Corporate Governance Statement and Statement on Risk Management and Internal Control prior to recommending the same to the Board for approval and inclusion in the Annual Report.

(b) Reviewed the revised Terms of Reference of the Committee.

(c) Reviewed the Internal Audit Services Charter.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

INTERNAL AUDIT FUNCTION AND SUMMARY OF WORKS

The Group has an in-house Internal Audit Department comprises four (4) personnel, one (1) Assistant Manager, two (2) executive and one (1) 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, recommendations for value-added practices and identification of areas for improvement.

During the financial year ended 30 June 2018, 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 and operational 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 2018 amounted to RM277,886.

The summary of works that were carried out by the internal audit function during the financial year ended 30 June 2018 encompassed the following:

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

2. Internal audit executed in accordance with the approved annual audit plan. During the financial year, the internal audit audited and reviewed the following business processes in Corporate Headquarter and 20 branches:

   (a) COD Management
   (b) Risk Management
   (c) HR Management
   (d) Credit Control and Cash Management
   (e) Storage and Security System
   (f) Delivery and Pick up Management
   (g) Management Information System
   (h) Fixed Asset Management

   These 20 branches include Banting, Tanjung Karang, Mentakab, Jerantut, Bentong, Kajang, Alor Setar, Senai, Segamat, Terengganu, Damansara Perdana, Port Klang, Serdang, Kuantan, Singapore, Petaling Jaya, Subang Jaya, Puchong, Butterworth and Johor Bahru.

3. The internal audit reports prepared from the audits are deliberated by the Committee and recommendations are duly acted upon by the Management. Internal auditors will conduct the follow-up reviews to ensure that all matters arising from each audit are adequately addressed by the auditees/Management, and corrective action plans which agreed by the Management had been taken to rectify the matters raised.

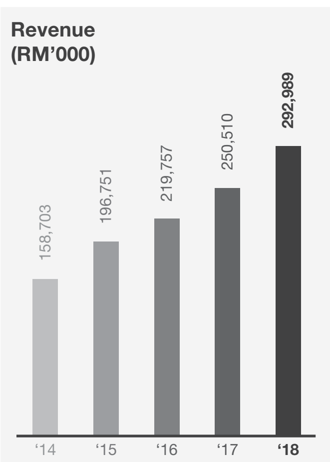
The Committee is pleased to disclose that there were no significant weaknesses identified that would have resulted in any material losses, contingencies or uncertainties to the Group which would require a separate disclosure in the financial statement.

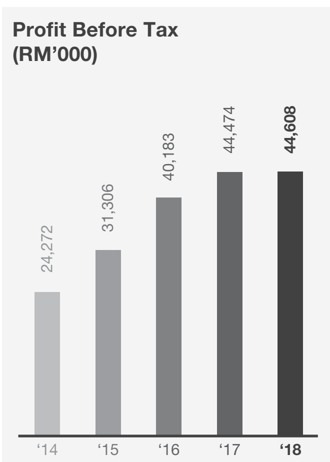
This Report is made in accordance with the resolution of the Board of Directors dated 4 October 2018.

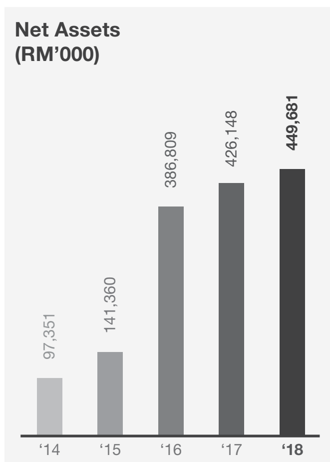
5-YEAR GROUP FINANCIAL HIGHLIGHTS

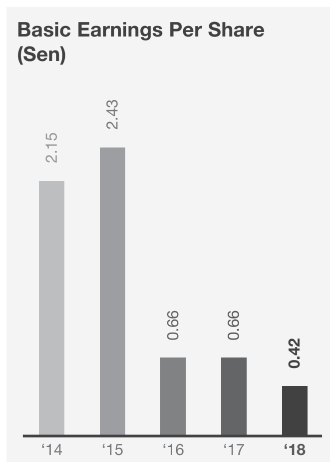
	Group year ended 30 June 2018	Group year ended 30 June 2017	Group year ended 30 June 2016	Group year ended 30 June 2015	Group year ended 30 June 2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	**292,989**	250,510	219,757	196,751	158,703
Profit from Operations	**34,752**	33,613	35,133	31,053	24,580
Profit before tax	**44,608**	44,474	40,183	31,306	24,272
Profit after tax	**23,627**	36,829	34,444	28,296	23,385
Return on revenue	**8%**	15%	16%	14%	15%
Profit attributable to ordinary equity holders	**23,627**	36,829	34,444	28,296	23,385
Net assets	**449,681**	426,148	386,809	141,360	97,351
Paid-up capital	**327,809**	313,837	69,162	61,816	41,935
Shareholders' equity	**449,681**	426,148	386,809	141,360	97,351
Share information (1)					
Number of shares in issue ('000)	**5,602,624** (2)	5,576,237	1,383,240	1,236,328	838,691
Basic earnings per share (sen)	**0.42** (3)	0.66 (3)	0.66	2.43	2.15
Diluted earnings per share (sen)	**0.40** (3)	0.65 (3)	0.66	2.39	1.96
Net assets per share (RM)	**0.08**	0.08	0.28	0.11	0.12
Share price at end of financial year (RM)	**0.405** (4)	0.625 (4)	0.385	1.370	1.628

(1) *The Companies Act, 2016, which came into operation on 31 January 2017, introduced the "No Par Value" regime. Accordingly, the concept of "Par Value" has been abolished.*
(2) *During the financial year ended 30 June 2018, the Company increased its issued and paid-up ordinary share capital from 5,576,236,692 ordinary shares to 5,602,624,193 ordinary shares as disclosed in Note 21 to the Financial Statements.*
(3) *The effects of Dividend Reinvestment Plan (DRP) on the number of ordinary shares for the financial year ended 30 June 2018 has been adjusted as if these events had occurred on 1 July 2017, as disclosed in Note 21 to the Financial Statements.*
(4) *Adjusted for corporate events to ensure the prices are awalys comparable across different periods. These events include DRP issue during the financial year ended 30 June 2018.*









DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required under paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad 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, 2016 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 2018 on pages 91 to 166 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, 2016.

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 86 to 90.

This statement is made in accordance with the resolution of the Board of Directors dated 4 October 2018.

Dato' Capt. Ahmad Sufian
Chairman

FINANCIAL STATEMENTS

DIRECTORS' REPORT

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 2018.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries include provision of express delivery services and logistics services.

The information on the name, place of incorporation, principal activities, and percentage of issue share capital held by the Company in each subsidiary companies are disclosed in Note 14 to the financial statements.

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	44,607,808	20,957,305
Income tax expense	(20,980,442)	(2,261,241)
Profit for the year	23,627,366	18,696,064

In the opinion of the directors, the results 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 other than the underprovision of income tax expense as disclosed in Note 9 to the financial statements.

DIVIDENDS

As mentioned in Note 27 to the financial statements, a dividend of 0.250 sen per share amounting to RM13,942,153 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 RM13,270,751 and cash amounting to RM671,402.

The directors proposed a dividend of 0.200 sen per share amounting to approximately RM11.2 million in respect of the financial year ended 30 June 2018. 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.

DIRECTORS' REPORT
cont'd

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from RM313,836,577, comprising 5,576,236,692 ordinary shares, to RM327,809,125, comprising 5,602,624,193 ordinary shares as disclosed in Note 21 to the financial statements and the details as follows:

(a) Exercise of Warrants 2015/2020

Issuance of 1,834,764 new ordinary shares pursuant to the exercise of 1,834,764 Warrants 2015/2020 at the exercise price of RM0.3825 per warrant during the financial year, with full amount of RM701,797 credited directly to the Company's issued capital.

(b) DRP

The Company via the announcement on 7 December 2017 proposed to undertake a recurrent and optional dividend reinvestment plan that allows the shareholders to reinvest their dividend as new ordinary shares in the Company.

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 Malaysia Securities Berhad; 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.

A total of 24,552,737 new ordinary shares at the issue price of RM0.5405 per share was issued pursuant to the exercise of DRP on 13 February 2018.

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

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

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 Malaysia Securities Berhad.

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.

(e) During the last financial year, as a result of the bonus issue exercise, an additional 530,898,999 number of Warrants 2015/2020 adjustment was made in accordance with the provisions under the Deed Poll constituting the Warrants dated 20 January 2015. Consequentially, the exercise price of Warrants 2015/2020 was revised on 13 June 2017 from RM1.5300 to RM0.3825.

The movements of Warrants 2015/2020 during the year are as follows:

	Number of Warrants 2015/2020
At beginning of year	707,865,332
Exercised during the year (Note 21(ii))	(1,834,764)
At end of year	706,030,568

DIRECTORS' REPORT
cont'd

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 financial statements 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 be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

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

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

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

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

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the 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.

DIRECTORS' REPORT
cont'd

OTHER STATUTORY INFORMATION *cont'd*

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 directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Teong Teck Lean
Liew Heng Heng
Adi Arman bin Abu Osman
Woo Keng Leong
Lim Chee Seong
Chua Khing Seng
Lee Kah Hin
Ho Swee Fong *(Resigned on 27 August 2018)*

The directors of the subsidiaries in office which have not been disclosed above during the financial year and during the period from the end of the financial year to the date of this report are:

Chan Lai Wah
Leong Chee Tong
Teong Lynn Tze Rachel *(Appointed on 8 January 2018)*
Ong Mei Chen *(Appointed on 30 August 2018)*
Soo Hong Loon *(Resigned on 8 January 2018)*
Yap Siow Eng *(Appointed on 2 October 2017, resigned on 30 August 2018)*

DIRECTORS' REPORT
cont'd

DIRECTORS' INTERESTS

The shareholdings in the holding 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 59 of the Companies Act, 2016, are as follows:

	Number of ordinary shares				
	Balance as of 1.7.2017	Issued pursuant to 4th DRP[1]	Bought	Sold	Balance as of 30.6.2018
Shares in the Company					
Direct interest					
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	49,184,244	213,228	100,000	(3,184,244)	46,313,228
Teong Teck Lean	111,614,100	567,983	11,184,300	-	123,366,383
Liew Heng Heng	4,087,008	18,903	-	-	4,105,911
Lim Chee Seong	326,000	1,500	-	-	327,500
Lee Kah Hin	708,008	3,274	-	-	711,282
Shares in the Company					
Indirect interest					
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid					
Substantial shareholdings					
Essem Capital Sdn. Bhd.	3,932,496	-	-	(225,900)	3,706,596
Essem Corporation Sdn. Bhd.	19,424	-	-	-	19,424
DB (Malaysia) Nominee (Asing) Sdn. Bhd.	2,447,564	12,986	-	-	2,460,550
Immediate family members					
Datin Mardiana binti Mohamed Zain	897,288	4,150	-	-	901,438
Suffaneena binti Ahmad Sufian	455,116	2,105	-	-	457,221
Muffadzlee bin Ahmad Sufian	455,116	1,781	-	(70,000)	386,897
Muffriezal bin Ahmad Sufian	404,040	1,868	30,000	-	435,908
Suffrianna binti Ahmad Sufian	401,408	1,856	-	-	403,264

DIRECTORS' REPORT
cont'd

DIRECTORS' INTERESTS *cont'd*

	Number of ordinary shares				
	Balance as of 1.7.2017	**Issued pursuant to 4th DRP[(1)]**	**Bought**	**Sold**	**Balance as of 30.6.2018**
Shares in the Company					
Indirect interest					
Teong Teck Lean					
Substantial shareholdings					
GD Express Holdings (M) Sdn. Bhd.	1,413,141,160	6,536,267	-	-	1,419,677,427
GD Holdings International Limited	617,865,672	2,857,842	6,750,000	-	627,473,514
GDEX Foundation	19,746,476	91,334	-	-	19,837,810

(1) On 13 February 2018, the 4th Dividend Reinvestment Plan ("DRP") applied to the final dividend of 0.25 sen per ordinary share was reinvested in new ordinary shares in the holding company at a price of RM0.5405.

	Number of Warrants 2015/2020 over ordinary shares			
	Balance as of 1.7.2017	**Bought**	**Sold/ Exercised**	**Balance as of 30.6.2018**
Warrants 2015/2020 in the Company				
Direct interest				
Teong Teck Lean	18,569,876	-	-	18,569,876
Liew Heng Heng	605,084	-	-	605,084
Lim Chee Seong	48,000	-	-	48,000
Indirect interest				
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid				
Substantial shareholding				
DB (Malaysia) Nominee (Asing) Sdn. Bhd.	360,000	-	-	360,000

DIRECTORS' REPORT
cont'd

DIRECTORS' INTERESTS *cont'd*

	← Number of Warrants 2015/2020 over ordinary shares →			
	Balance as of 1.7.2017	**Bought**	**Sold/ Exercised**	**Balance as of 30.6.2018**
Warrants 2015/2020 in the Company				
Indirect interest				
Teong Teck Lean				
Substantial shareholding				
GD Express Holdings (M) Sdn. Bhd.	209,182,496	-	-	209,182,496
GD Holdings International Limited	81,408,344	-	-	81,408,344
GDEX Foundation	2,904,412	-	-	2,904,412

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 and related companies to the extent the Company has an interest.

The other directors in office at the end of the financial year did not hold shares and warrants, nor had beneficial interest in the shares and warrants of the Company during and at the end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in Note 7 to 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.

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.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Group maintains directors' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for the directors and officers of the Group and its subsidiaries. The amount of insurance premium paid during the year amounted to RM19,882.

DIRECTORS' REPORT
cont'd

SIGNIFICANT EVENT

Significant event during the financial year relating to the acquisition of subsidiary is disclosed in Note 14 to the financial statements.

SUBSEQUENT EVENTS

Subsequent events relating to the acquisition of leasehold land and building and IPO Subscription of new ordinary shares in PT Satria Antaran Prima TBK are disclosed in Note 34 to the financial statements.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors for financial year ended 30 June 2018 is as disclosed in Note 7 to the financial statements.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the directors,

TEONG TECK LEAN **LEE KAH HIN**

Petaling Jaya,
4 October 2018

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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 2018 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 notes to financial statements, including a summary of significant accounting policies, as set out on pages 91 to 166.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2018, and of their financial performance and their 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, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	*Our audit performed and responses thereon*
The Group's revenue is mainly derived from express courier services rendered. We identified revenue recognition as a key audit matter, as we consider the magnitude and the high volume of transactions may give rise to material misstatements of revenue recognition.	Our audit approach includes both controls testing and substantive procedures as follows: • We obtained update on our understanding of revenue recognition process and evaluated the business process controls surrounding revenue recognition. We further performed a walkthrough and tested the design and implementation of those controls. • We selected samples of sales invoices recorded during and at end of the financial year and traced to acknowledged consignment notes to ascertain proof of delivery. • We performed substantive analytical procedure on revenue by using the direct overhead costs as a base to develop an expected revenue and compared against the actual revenue. We also tested the completeness, accuracy and validity of the direct overhead costs provided by the management. • We compared the Group's revenue growth rate against industry averages and competitor results.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Information Other than the Financial Statements and Auditors' Report Thereon *cont'd*

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of the Group and of the Company.

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Auditors' Responsibilities for the Audit of the Financial Statements *cont'd*

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We will also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Auditors' Responsibilities for the Audit of the Financial Statements *cont'd*

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 2016, we also report that the subsidiaries, of which we have not acted as auditors, are disclosed in Note 14 to the financial statements.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

WONG KAR CHOON
Partner - 03153/08/2020 J
Chartered Accountant

4 October 2018

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2018

		The Group		The Company	
	Note	2018	2017	2018	2017
		RM	RM	RM	RM
Revenue	6	292,988,532	250,509,875	14,160,000	25,410,000
Other operating income	7	11,729,351	12,254,164	12,612,151	13,001,002
Direct costs	7	(49,326,900)	(39,407,673)	-	-
Staff costs	7	(153,132,356)	(131,991,270)	(1,492,749)	(1,612,519)
Depreciation of property, plant and equipment	11	(14,416,373)	(10,876,699)	-	-
Amortisation of prepaid lease payments	12	(531,103)	(520,866)	-	-
Other operating expenses	7	(39,897,026)	(34,260,985)	(4,322,097)	(2,531,772)
Impairment loss on goodwill	17	(948,692)	-	-	-
Share of profits of an associate	15	16,160	160,831	-	-
Finance costs	8	(1,873,785)	(1,392,920)	-	-
Profit before tax		44,607,808	44,474,457	20,957,305	34,266,711
Income tax expense	9	(20,980,442)	(7,645,086)	(2,261,241)	(2,395,542)
Profit for the year		23,627,366	36,829,371	18,696,064	31,871,169

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2018
cont'd

		The Group		The Company	
	Note	2018	2017	2018	2017
		RM	RM	RM	RM
Other comprehensive (loss)/income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		(124,157)	109,523	-	-
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive (loss)/income for the year, net of tax		(124,157)	109,523	-	-
Total comprehensive income for the year, net of tax		23,503,209	36,938,894	18,696,064	31,871,169
Profit for the year attributable to:					
Owners of the Company		23,627,366	36,829,371	18,696,064	31,871,169
Total comprehensive income attributable to:					
Owners of the Company		23,503,209	36,938,894	18,696,064	31,871,169
Earnings per ordinary share:					
Basic (sen)	10	0.42	0.66		
Diluted (sen)	10	0.40	0.65		

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

STATEMENTS OF FINANCIAL POSITION
as of 30 June 2018

	Note	The Group		The Company	
		2018	2017	2018	2017
		RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	85,850,329	68,061,392	-	-
Prepaid lease payments	12	21,507,003	22,038,106	-	-
Investment properties	13	17,900,000	-	-	-
Investment in subsidiary companies	14	-	-	39,079,901	40,920,948
Investment in an associate	15	5,676,991	5,660,831	5,500,000	5,500,000
Investment in convertible bonds	16	10,380,000	10,380,000	10,380,000	10,380,000
Goodwill arising from consolidation	17	397,385	-	-	-
Total Non-Current Assets		141,711,708	106,140,329	54,959,901	56,800,948
Current Assets					
Inventories - at cost		1,078,365	1,554,480	-	-
Trade receivables	18	51,011,122	49,867,134	-	-
Other receivables and prepaid expenses	18	17,557,823	12,214,674	15,086	27,899
Amount owing by subsidiary companies	14	-	-	61,691,479	36,963,880
Tax recoverable		3,383,405	1,915,968	-	-
Short term funds	19	17,035,863	-	17,035,863	-
Deposits with licensed banks	28	253,636,792	289,578,088	237,969,933	270,296,667
Cash and bank balances	28	32,640,178	16,760,402	14,145,257	3,257,869
Total Current Assets		376,343,548	371,890,746	330,857,618	310,546,315
Total Assets		518,055,256	478,031,075	385,817,519	367,347,263

STATEMENTS OF FINANCIAL POSITION
as of 30 June 2018
cont'd

		The Group		The Company	
	Note	**2018**	**2017**	**2018**	**2017**
		RM	**RM**	**RM**	**RM**
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	21	327,809,125	313,836,577	327,809,125	313,836,577
Reserves	22	121,872,075	112,311,019	57,371,147	52,617,236
Total Equity		449,681,200	426,147,596	385,180,272	366,453,813
Non-Current Liabilities					
Hire-purchase payables - non-current portion	23	26,063,202	21,281,685	-	-
Provision for retirement benefits	24	325,682	281,722	28,108	24,842
Deferred tax liabilities	25	4,942,829	4,047,200	-	-
Total Non-Current Liabilities		31,331,713	25,610,607	28,108	24,842
Current Liabilities					
Trade payables	26	2,036,816	3,184,815	-	-
Other payables and accrued expenses	26	19,665,639	14,229,742	513,996	580,720
Amount owing to subsidiary companies	14	-	-	17,368	17,368
Hire-purchase payables - current portion	23	15,155,343	8,392,359	-	-
Tax liabilities		184,545	465,956	77,775	270,520
Total Current Liabilities		37,042,343	26,272,872	609,139	868,608
Total Liabilities		68,374,056	51,883,479	637,247	893,450
Total Equity and Liabilities		518,055,256	478,031,075	385,817,519	367,347,263

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

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2018

The Group	**Note**	**Issued capital**	**Non-distributable reserves**		**Distributable reserve -**	**Total**
			Share premium	**Translation reserve**	**Retained earnings**	
		RM	**RM**	**RM**	**RM**	**RM**
As of 1 July 2016		69,161,977	228,420,645	304,215	88,922,074	386,808,911
Profit for the year		-	-	-	36,829,371	36,829,371
Other comprehensive income		-	-	109,523	-	109,523
Total comprehensive income for the year		-	-	109,523	36,829,371	36,938,894
Arising from warrants exercised		124,230	3,222,432	-	-	3,346,662
Arising from dividend reinvestment plan		13,146,092	-	-	(13,146,092)	-
Arising from bonus issued		209,108,876	(209,108,876)	-	-	-
Dividends	27	-	-	-	(708,072)	(708,072)
Corporate exercise expenses		-	(238,799)	-	-	(238,799)
Transfer arising from "no par value" regime	22	22,295,402	(22,295,402)	-	-	-
As of 30 June 2017		313,836,577	-	413,738	111,897,281	426,147,596

The Group	**Note**	**Issued capital**	**Non-distributable reserves -** **Translation reserve**	**Distributable reserve -** **Retained earnings**	**Total**
		RM	**RM**	**RM**	**RM**
As of 1 July 2017		313,836,577	413,738	111,897,281	426,147,596
Profit for the year		-	-	23,627,366	23,627,366
Other comprehensive loss		-	(124,157)	-	(124,157)
Total comprehensive income/(loss) for the year		-	(124,157)	23,627,366	23,503,209
Arising from warrants exercised	21(ii)	701,797	-	-	701,797
Arising from dividend reinvestment plan	21(i)(b)	13,270,751	-	(13,270,751)	-
Dividends	27	-	-	(671,402)	(671,402)
As of 30 June 2018		327,809,125	289,581	121,582,494	449,681,200

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2018
cont'd

The Company	**Note(s)**	**Issued capital**	**Non-distributable reserve - Share premium**	**Distributable reserve - Retained earnings**	**Total**
		RM	**RM**	**RM**	**RM**
As of 1 July 2016		69,161,977	228,420,645	34,600,231	332,182,853
Total comprehensive income for the year		-	-	31,871,169	31,871,169
Arising from warrants exercised		124,230	3,222,432	-	3,346,662
Arising from dividend reinvestment plan		13,146,092	-	(13,146,092)	-
Arising from bonus issue		209,108,876	(209,108,876)	-	-
Dividends	27	-	-	(708,072)	(708,072)
Corporate exercise expenses		-	(238,799)	-	(238,799)
Transfer arising from "no par value" regime	22	22,295,402	(22,295,402)	-	-
As of 30 June 2017		313,836,577	-	52,617,236	366,453,813
As of 1 July 2017		313,836,577	-	52,617,236	366,453,813
Total comprehensive income for the year		-	-	18,696,064	18,696,064
Arising from warrants exercised	21(ii)	701,797	-	-	701,797
Arising from dividend reinvestment plan	21(i)(b)	13,270,751	-	(13,270,751)	-
Dividends	27	-	-	(671,402)	(671,402)
As of 30 June 2018		327,809,125	-	57,371,147	385,180,272

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

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2018

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit for the year	23,627,366	36,829,371	18,696,064	31,871,169
Adjustments for:				
Income tax expense	20,980,442	7,645,086	2,261,241	2,395,542
Depreciation of property, plant and equipment	14,416,373	10,876,699	-	-
Finance costs	1,873,785	1,392,920	-	-
Impairment loss on goodwill	948,692	-	-	-
Amortisation of prepaid lease payments	531,103	520,866	-	-
Impairment loss/(Reversal of impairment loss) on trade receivables, net	380,663	(378,041)	-	-
Bad debts written off	328,650	70,940	-	-
Loss/(Gain) on disposal of property, plant and equipment	53,260	(53,500)	-	-
Property, plant and equipment written off	50,124	40,974	-	-
Provision for retirement benefits	45,086	34,572	3,266	3,019
Interest income	(11,359,549)	(11,538,395)	(10,118,403)	(10,559,002)
Dividend income from short term funds	(51,748)	-	(51,748)	-
Share of profits of an associate	(16,160)	(160,831)	-	-
Impairment loss of investment in subsidiary	-	-	1,841,047	-
Dividend income from subsidiary company	-	-	(14,160,000)	(25,410,000)
Operating Profit/(Loss) Before Working Capital Changes	51,808,087	45,280,661	(1,528,533)	(1,699,272)
Decrease/(Increase) in:				
Inventories	476,115	(338,277)	-	-
Trade receivables	(1,853,301)	(1,995,969)	-	-
Other receivables and prepaid expenses	(5,518,031)	(3,030,179)	12,813	(4,481)

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2018
cont'd

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
(Decrease)/Increase in:				
Trade payables	(1,147,999)	1,062,160	-	-
Other payables and accrued expenses	5,199,501	(2,326,588)	(66,724)	112,251
Cash Generated From/(Used In) Operations	48,964,372	38,651,808	(1,582,444)	(1,591,502)
Income tax refunded	265,400	33,555	137,680	-
Income tax paid	(22,135,224)	(6,974,234)	(2,591,666)	(2,378,784)
Net Cash From/(Used In) Operating Activities	27,094,548	31,711,129	(4,036,430)	(3,970,286)
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES				
Interest received	11,359,549	11,538,395	10,118,403	10,559,002
Proceeds from disposal of property, plant and equipment	310,544	143,029	-	-
Decrease/(Increase) in deposits paid for property, plant and equipment	204,916	(366,659)	-	-
Dividend income received	51,748	-	51,748	-
(Increase)/Decrease in deposits with licensed banks	(22,002,245)	48,480,643	(17,673,266)	42,202,625
Net cash outflow on acquisition of subsidiary	(19,003,555)	-	-	-
Increase in short term funds	(17,035,863)	-	(17,035,863)	-
Additions to property, plant and equipment *	(9,149,712)	(14,307,348)	-	-
Subscription of investment in convertible bonds	-	(10,380,000)	-	(10,380,000)
Subscription of investment in an associate	-	(5,500,000)	-	(5,500,000)
Additions to prepaid lease payments	-	(1,843,333)	-	-
Increase in deposits pledged with licensed banks	-	(965)	-	-
Additional investment in subsidiary company	-	-	-	(1,510,344)
(Increase)/Decrease in amount owing by subsidiary companies	-	-	(10,567,599)	8,010,611
Net Cash (Used in)/From Investing Activities	(55,264,618)	27,763,762	(35,106,577)	43,381,894

STATEMENTS OF CASH FLOWS
for the year ended 30 June 2018
cont'd

	Note	The Group		The Company	
		2018	2017	2018	2017
		RM	RM	RM	RM
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES					
Proceeds from allotment of shares		701,797	3,107,863	701,797	3,107,863
Payments of hire-purchase payables		(11,944,008)	(6,539,785)	-	-
Finance costs paid		(1,873,785)	(1,392,920)	-	-
Dividends paid		(671,402)	(708,072)	(671,402)	(708,072)
Repayment of term loan		-	(6,661,452)	-	-
Net Cash (Used In)/From Financing Activities		(13,787,398)	(12,194,366)	30,395	2,399,791
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(41,957,468)	47,280,525	(39,112,612)	41,811,399
Effect of exchange differences		(106,297)	94,348	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		74,771,602	27,396,729	53,257,869	11,446,470
CASH AND CASH EQUIVALENTS AT END OF YEAR	28	32,707,837	74,771,602	14,145,257	53,257,869

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

	The Group	
	2018	2017
	RM	RM
Purchase of:		
Property, plant and equipment	32,638,221	31,732,148
Financed by:		
Cash payments	9,149,712	14,307,348
Hire-purchase	23,488,509	17,424,800
	32,638,221	31,732,148

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 Malaysia Securities Berhad.

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

The principal activities of the subsidiaries include provision of express delivery services and logistics services.

The information on the name, place of incorporation, principal activities, and percentage of issue share capital held by the Company in each subsidiary companies are disclosed in Note 14.

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 4 October 2018.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

Adoption of new and revised MFRS

In the current year, the Group and the Company have applied the following Amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for accounting periods that begin on or after 1 July 2017 as follows:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2014 - 2016 Cycle

The adoption of these Amendments to MFRSs did not have any effect on the financial performance or position of the Group and the Company in the current year and prior period.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

Amendments to MFRS 107 Disclosure Initiative

The Group and the Company have applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both cash and non-cash changes.

The Group and the Company's liabilities arising from financing activities consist of hire-purchase payables. A reconciliation between the opening and closing balances of this item is provided in Note 33. Consistent with the transition provision of the amendments, the Group and the Company has not disclosed comparative information for the prior period. Apart from the additional disclosure in Note 33, the application of these amendments has had no impact on the Group and the Company's financial statements.

New and Revised Standards, Amendments and Issues Committee Interpretations ("IC Interpretation") in Issue but Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised Standards, Amendments and IC Interpretations 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[1]
MFRS 15	Revenue from Contracts with Customers[1]
MFRS 16	Leases[2]
MFRS 17	Insurance Contracts[3]
Amendments to MFRS 2	Classification and Measurement of Share-Based Payment Transactions[1]
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts[1]
Amendments to MFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement[2]
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures[2]
Amendments to MFRS 140	Transfer of Investment Property[1]
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration[1]
IC Interpretation 23	Uncertainty over Income Tax Payments[2]
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2018.
2 Effective for annual periods beginning on or after 1 January 2019.
3 Effective for annual periods beginning on or after 1 January 2021.
4 Effective for annual periods beginning on or after a date to be determined.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

New and Revised Standards, Amendments and Issues Committee Interpretations ("IC Interpretation") in Issue but Not Yet Effective *cont'd*

The directors anticipate that the abovementioned new and revised 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, Amendments and Interpretation 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:

MFRS 9 Financial Instruments

MFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. MFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of MFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of MFRS 9:

- All recognised financial assets that are within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement* 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 their 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 fair value of equity instrument (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regards 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 liabilities, be 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 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.

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

MFRS 9 Financial Instruments *cont'd*

Key requirements of MFRS 9: *cont'd*

- 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 any entity's risk management activities have also been introduced.

The directors of the Group and the Company anticipate that the application of the above mentioned Standards in the future may have an impact on the amounts reported and disclosures made in the Company's financial statements. The Group and the Company is currently assessing the financial impact that may arise from the adoption of MFRS 9.

MFRS 15 Revenue from Contract 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 contracts with customers. Subsequently, amendments to MFRS 15 were issued in April 2016 which provide clarifications on certain requirements of MFRS 15 and provide additional transitional relief upon implementing MFRS 15. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and the related interpretation 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(s) 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

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

MFRS 15 Revenue from Contract with Customers *cont'd*

Under MFRS 15, an entity recognises revenue when (or as) a performance obligations 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 Group currently recognises revenue from the following major sources (Note 6) of which revenue is recognised when rendering of services has been completed:

- Provision of express delivery services.
- Provision of logistics services.

The directors of the Group and the Company anticipate that the application of the above mentioned Standards in the future may have an impact on the amounts reported and disclosures made in the Company's financial statements. The Group and the Company is currently assessing the financial impact that may arise from the adoption of MFRS 15.

MFRS 16 Leases

MFRS 16 specifies how an MFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with MFRS 16's approach to lessor accounting substantially unchanged from its predecessor, MFRS 117.

At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-of use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowing rate.

The directors of the Group and the Company anticipate that the application of the above mentioned Standards in the future may have an impact on the amounts reported and disclosures made in the Company's financial statements. The Group and the Company is currently assessing the financial impact that may arise from the adoption of MFRS 16.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost unless otherwise indicated in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for 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 takes 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 these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 117, and measurements 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Subsidiaries and Basis of Consolidation *cont'd*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Business Combinations *cont'd*

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.

Goodwill on Consolidation

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

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

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

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 logistic, net of goods and services tax, discounts and rebates. Revenue is recognised when the services are rendered.

Interest income is recognised using the effective interest method.

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

Rental income is recognised over the tenure of rental period of properties.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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 profit and loss and other 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 and the Company.

(b) Post-Employment Benefits

(i) Defined Contribution Plan

The Group and the Company makes contributions to the Employees Provident Fund ("EPF") and contributions are charged to profit or loss. Once the contributions have been paid, there are no further payment obligations. The approved provident fund is a defined contribution plan.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Employee Benefits *cont'd*

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

(ii) Defined Benefit Plan

The Group and the Company 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 and the Company. The Group's and the Company'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 Group and 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 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 and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(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. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Income Tax *cont'd*

(b) Deferred Tax *cont'd*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 future 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.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Company reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to MFRS 112 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Income Tax *cont'd*

(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.

Goods and Services Tax ("GST")

Revenue, expenses and assets are recognised net of GST, unless the GST is not recoverable from the tax authority. The amount of GST not recoverable from the tax authority is recognised as an expense or as part of cost of acquisition of an asset.

Receivables and payables relate to such revenue, expenses or acquisitions of assets are presented in the statements of financial position inclusive of GST receivable or GST payable.

GST receivable from or payable to tax authority may be presented on net basis should such amounts are related to GST levied by the same tax authority and the taxable entity has a legally enforceable right to set off such amounts.

On 1 June 2018, the GST had been abolished by Malaysia's Ministry of Finance. The GST will be replace by the Sales and Service Tax (SST) that will be implement on 1 September 2018.

Investment in Associates and Joint Ventures

Associate

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Investment in Associates and Joint Ventures *cont'd*

Accounting treatment

On acquisition of an investment in associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture unless the Group does not have contractual equity interest over the associate or joint venture.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies MFRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investments in associates and joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Impairment of Non-Financial Assets other than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets other than inventories and deferred tax 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.

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.

Leasehold building is amortised based on the carrying value of the building over the remaining lease period.

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% - 50%
Tools and equipment	12.5%
Motor vehicles	12.5%
Renovation	20%

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Property, Plant and Equipment *cont'd*

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.

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.

Investment Properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are based on active market prices, adjusted, if necessary, for any difference in the nature, location or conditions of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair value are included in profit or loss in the period in which they arise.

On the disposal of the investment property, or when it is permanently withdrawn from use and no economic benefits are expected from its disposal, it shall be derecognised (eliminated from the statements of financial position). The difference between the net proceeds and the carrying amount in recognised in profit or loss in the period of the retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Inventories

Inventories, which consist of consumables, are stated at lower of cost or net realisable value (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. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

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.

(a) Financial Assets

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

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

(a) Financial Assets *cont'd*

(i) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (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) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss at the end of the reporting period. Fair value of available-for-sale financial assets measured at fair value is determined in the manner described in Note 19. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Dividends on available-for-sale equity investments are recognised in profit or loss when the Group's and the Company's right to receive the dividends is established.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

(a) Financial Assets *cont'd*

(iv) 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.

(v) Derecognition of Financial Assets

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

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

(b) Financial Liabilities and Equity Instruments

(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.

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 other than as follows:

Classification of investment in convertible bonds

In the previous financial year, the Company subscribed to convertible bonds of a foreign company ("the FC") for a total consideration of approximately RM10,380,000. The convertible bonds can be converted into fixed amount of equity shares subject to the terms and conditions of the agreement between the Company and the FC. The classification of convertible bonds depends on the features of the agreement such as purpose and design of agreement, controls and rights to decision-making process, joint consent in executing the business operations and the existence of variable returns. The assessment by management on the features requires management to make certain judgements. The investment is further explained in Note 16.

(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:

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.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated. The recoverable amount requires management to estimate the fair value less cost to sell of the cash generating units where a market valuation was performed by the qualified external valuers. The carrying amount of goodwill at the reporting date was RM397,385 (2017: RMNil). Details of the impairment loss are disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *cont'd*

(ii) Key sources of estimation uncertainty *cont'd*

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for the financial reporting purposes. The directors use their judgment in selecting and applying an appropriate valuation technique for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engaged third party qualified valuers to perform the valuation. The directors work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation technique and inputs used in determining the fair value of various assets are disclosed in Note 13.

5. SEGMENT REPORTING

Operating segments

The Group has three operating 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 three operating segments based on reports reviewed by the chief operating decision maker in making its strategic decision.

Property investment is a new operating segment in current financial year due to the newly acquired subsidiary, GDEX Properties Sdn. Bhd. As the property investment operating segment is drawn up for the first time, no comparative figures are presented.

5. SEGMENT REPORTING *cont'd*

Operating segments *cont'd*

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

	The Group			
	Segment Revenue		Segment Profit/ (Loss)	
	2018	2017	2018	2017
	RM	RM	RM	RM
Express delivery	286,094,672	246,121,466	48,135,585	45,717,968
Logistics	6,527,950	4,388,409	651,817	(228,632)
Property investment	365,910	-	(976,454)	-
Total	292,988,532	250,509,875	47,810,948	45,489,336
Finance costs (Note 8)			(1,873,785)	(1,392,920)
Impairment loss on goodwill (Note 17)			(948,692)	-
(Impairment loss)/Reversal of impairment loss on trade receivable - net (Note 18)			(380,663)	378,041
Profit before tax			44,607,808	44,474,457

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*

Operating segments *cont'd*

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

	The Group Carrying Amount Of Segment Assets And Liabilities	
	2018 **RM**	**2017** **RM**
Segment Assets		
Express delivery	466,347,138	473,233,629
Logistics	3,668,078	2,881,478
Property investment	44,656,635	-
	514,671,851	476,115,107
Unallocated assets*		
- Tax recoverable	3,383,405	1,915,968
	518,055,256	478,031,075
Segment Liabilities		
Express delivery	62,276,417	47,121,268
Logistics	399,477	249,055
Property investment	570,788	-
	63,246,682	47,370,323
Unallocated liabilities*		
- Tax liabilities	184,545	465,956
- Deferred tax liabilities	4,942,829	4,047,200
	68,374,056	51,883,479

5. SEGMENT REPORTING *cont'd*

Operating segments *cont'd*

	2018 RM	2017 RM
Other segment information		
Investment properties arising from acquisition of subsidiary company		
- Property investment	17,900,000	-
Additions to property, plant and equipment		
- Express delivery	31,560,263	33,364,453
- Logistics	294,741	211,028
- Property investment	783,217	-
Depreciation and amortisation		
- Express delivery	13,609,180	10,975,113
- Logistics	400,669	422,452
- Property investment	937,627	-

* *For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated directly to reportable segments except for items listed above.*

Geographical segments

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

	The Group Revenue By Geographical Market	
	2018 RM	2017 RM
Malaysia	291,845,971	249,613,753
Singapore	1,142,561	896,122
	292,988,532	250,509,875

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. **SEGMENT REPORTING** *cont'd*

Geographical segments *cont'd*

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

	The Group	
	Carrying Amount Of Segment Non-Current Assets	
	2018	2017
	RM	RM
Malaysia	141,677,640	105,967,620
Singapore	34,068	172,709
	141,711,708	106,140,329

6. **REVENUE**

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Income from provision of express delivery services and logistics	292,622,622	250,509,875	-	-
Single-tier dividend income from subsidiary company	-	-	14,160,000	25,410,000
Rental income	365,910	-	-	-
	292,988,532	250,509,875	14,160,000	25,410,000

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

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

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Interest income	11,359,549	11,538,395	10,118,403	10,559,002
Dividend income for short term funds	51,748	-	51,748	-
Direct costs:				
Transportation	(44,399,587)	(35,323,388)	-	-
Warehouse charges	(4,927,313)	(4,084,285)	-	-
Rental of premises	(10,775,281)	(8,537,661)	-	-
Tax penalty arising from underprovision of income tax expense in prior years	(1,169,326)	-	-	-
(Impairment loss)/on Reversal of impairment loss on trade receivables - net (Note 18)	(380,663)	378,041	-	-
Bad debts written off	(328,650)	(70,940)	-	-
Directors' remuneration:				
Fees	(209,400)	(189,600)	(209,400)	(189,600)
Salaries and other Emoluments	(971,781)	(726,658)	(971,781)	(726,658)
EPF	(92,057)	(69,986)	(92,057)	(69,986)
Auditors' remuneration:				
Statutory audit:				
Auditors of the Company	(115,000)	(115,000)	(51,000)	(51,000)
Other auditors	(43,910)	(48,492)	-	-
Others	(90,000)	(5,000)	(90,000)	(5,000)
Realised loss on foreign exchange	(95,390)	(53,830)	-	-
(Loss)/Gain on disposal of property, plant and equipment	(53,260)	53,500	-	-
Property, plant and equipment written off	(50,124)	(40,974)	-	-
Provision for retirement benefits (Note 24)	(45,086)	(34,572)	(3,266)	(3,019)
Management fee receivable from subsidiary companies	-	-	2,442,000	2,442,000
Impairment loss on investment in subsidiary companies	-	-	1,841,047	-

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

Staff costs include salaries, bonuses, contributions to EPF and all other staff related expenses. Contributions to EPF by the Group and the Company during the current financial year amounted to RM12,624,935 and RM133,036 (2017: RM10,223,350 and RM136,673) 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	
	2018 RM	2017 RM
Short-term employee benefits	874,101	627,858
Defined contribution plans	92,057	69,986
	966,158	697,844

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

	The Group and The Company	
	2018 RM	2017 RM
Executive Directors:		
Salaries and other emoluments	874,101	627,858
EPF	92,057	69,986
	966,158	697,844
Non-Executive Directors:		
Fees	209,400	189,600
Other emoluments	97,680	98,800
	307,080	288,400
	1,273,238	986,244

NOTES TO THE FINANCIAL STATEMENTS
cont'd

8. FINANCE COSTS

	The Group	
	2018	**2017**
	RM	**RM**
Interest expense on:		
Hire-purchase	1,873,785	1,290,945
Term loan	-	101,975
	1,873,785	1,392,920

9. INCOME TAX EXPENSE

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Estimated tax payable:				
Current year	12,188,087	6,262,356	2,262,816	2,447,632
Under/(Over)provision in prior years	7,896,726	383,230	(1,575)	(52,090)
	20,084,813	6,645,586	2,261,241	2,395,542
Deferred tax (Note 25):				
Current year	907,629	1,254,500	-	-
Overprovision in prior years	(12,000)	(255,000)	-	-
	895,629	999,500	-	-
	20,980,442	7,645,086	2,261,241	2,395,542

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INCOME TAX EXPENSE *cont'd*

A reconciliation of income tax expense applicable to profit before tax at the applicable statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company are as follows:

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Profit before tax	44,607,808	44,474,457	20,957,305	34,266,711
Tax at tax rate of 24%	10,705,874	10,673,870	5,029,753	8,224,011
Effect of different tax rates	(47,637)	(57,129)	-	-
Tax effects of:				
Income not taxable	-	-	(3,398,400)	(6,098,400)
Expenses not deductible	2,443,870	2,221,515	631,463	322,021
Tax incentive under pioneer status	-	(5,294,073)	-	-
Utilisation of deferred tax assets previously not recognised	(6,391)	(27,327)	-	-
Under/(Over)provision in prior years:				
Current tax	7,896,726	383,230	(1,575)	(52,090)
Deferred tax	(12,000)	(255,000)	-	-
Income tax expense	20,980,442	7,645,086	2,261,241	2,395,542

On 20 December 2013, GD Express Sdn. Bhd. ("GDESB"), 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 period will be exempted from income tax. The existing pioneer status tax incentive lapsed on 25 September 2017.

On 14 December 2017, GDESB was notified that the pioneer status was rescinded as the GDESB's equity structure had not met the requirements of the pioneer status. The rescindment took effect retrospectively from 12 February 2016 onwards. The appealing process was initiated by GDESB based on the advice from the authority. The authority did not provide a conclusion on it prior to submitting the tax payable for tax YA2016 and YA2017. This has resulted in an underprovision of RM2,727,710 and RM5,287,392 in YA2016 and YA2017 respectively. The Group has also made a tax penalty payment amounted to RM954,699 for YA2016 and RM214,627 for YA2017 as disclosed in Note 7.

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	
	2018	2017
	RM	RM
Profit attributable to owners of the Company	23,627,366	36,829,371
Weighted average number of ordinary shares	5,586,223,268	5,549,336,936
Basic earnings per ordinary share (sen)	0.42	0.66

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	
	2018	2017
	RM	RM
Profit attributable to owners of the Company	23,627,366	36,829,371
Weighted average number of ordinary shares	5,586,223,268	5,549,336,936
Effect of dilution:		
Warrants	249,469,701	137,738,344
Adjusted weighted average number of ordinary shares	5,835,692,969	5,687,075,280
Diluted earnings per share (sen)	0.40	0.65

NOTES TO THE FINANCIAL STATEMENTS
cont'd

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold buildings	Office equipment, furniture and fittings	Computer hardware and software	Tools and equipment	Motor vehicles	Renovation	Total
	RM	RM	RM	RM	RM	RM	RM
Cost							
As of 1 July 2016	6,451,732	12,273,155	5,614,873	6,703,576	58,538,332	7,807,833	97,389,501
Additions	3,686,666	1,093,072	2,510,070	1,336,137	20,149,508	2,956,695	31,732,148
Disposals	-	(47,932)	(43,064)	-	(794,764)	-	(885,760)
Written off	-	(153,189)	(224,629)	(10,927)	-	(721,982)	(1,110,727)
Exchange differences	-	3,357	583	505	54,697	9,425	68,567
As of 30 June 2017/ 1 July 2017	10,138,398	13,168,463	7,857,833	8,029,291	77,947,773	10,051,971	127,193,729
Additions	38,536	1,148,239	1,461,005	1,224,836	26,615,484	2,150,121	32,638,221
Disposals	-	(137,927)	(22,656)	(54,124)	(1,237,826)	-	(1,452,533)
Written off	-	(167,160)	(54,226)	(3,084)	(22,400)	-	(246,870)
Exchange differences	-	(3,965)	(680)	(589)	(63,773)	(10,989)	(79,996)
As of 30 June 2018	10,176,934	14,007,650	9,241,276	9,196,330	103,239,258	12,191,103	158,052,551

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

The Group	Leasehold buildings	Office equipment, furniture and fittings	Computer hardware and software	Tools and equipment	Motor vehicles	Renovation	Total
	RM	RM	RM	RM	RM	RM	RM
Accumulated Depreciation							
As of 1 July 2016	823,693	6,916,258	3,571,010	3,399,603	29,934,859	5,420,028	50,065,451
Charge for the year	179,408	1,222,237	1,139,215	736,659	6,497,514	1,101,666	10,876,699
Disposals	-	(11,253)	(42,853)	-	(742,125)	-	(796,231)
Written off	-	(116,285)	(222,132)	(9,511)	-	(721,825)	(1,069,753)
Exchange differences	-	2,531	400	-	47,200	6,040	56,171
As of 30 June 2017/ 1 July 2017	1,003,101	8,013,488	4,445,640	4,126,751	35,737,448	5,805,909	59,132,337
Charge for the year	204,115	1,284,010	1,343,526	909,414	9,128,973	1,546,335	14,416,373
Disposals	-	(103,577)	(21,648)	(18,316)	(945,188)	-	(1,088,729)
Written off	-	(134,138)	(40,340)	(2,367)	(19,901)	-	(196,746)
Exchange differences	-	(3,335)	(573)	-	(47,449)	(9,656)	(61,013)
As of 30 June 2018	1,207,216	9,056,448	5,726,605	5,015,482	43,853,883	7,342,588	72,202,222
Net Book Value							
As of 30 June 2018	8,969,718	4,951,202	3,514,671	4,180,848	59,385,375	4,848,515	85,850,329
As of 30 June 2017	9,135,297	5,154,975	3,412,193	3,902,540	42,210,325	4,246,062	68,061,392

Included in property, plant and equipment of the Group are motor vehicles under hire-purchase arrangements with net book value of approximately RM50,074,657 (2017: RM42,971,800). These motor vehicles have been charged to local licensed banks for hire-purchase obligations as disclosed in Note 23.

Included in the cost of property, plant and equipment of the Group is an amount of RM27,091,825 (2017: RM22,298,672) representing fully depreciated property, plant and equipment which are still in use by the Group.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

12. PREPAID LEASE PAYMENTS

	The Group Long-term leasehold land RM
Cost:	
As of 1 July 2016	24,018,414
Additions	1,843,333
As of 30 June 2017/1 July 2017/30 June 2018	25,861,747
Cumulative Amortisation:	
As of 1 July 2016	(3,302,775)
Amortisation for the year	(520,866)
As of 30 June 2017/1 July 2017	(3,823,641)
Amortisation for the year	(531,103)
As of 30 June 2018	(4,354,744)
Residual Value:	
As of 30 June 2018	21,507,003
As of 30 June 2017	22,038,106

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 which amounted RM7,398,658 (2017: RM7,398,658). These lands were amalgamated under the new land title at Lot No. PT43, Seksyen 20, which was issued on 27 August 2015. 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 38 years (2017: 39 years).

(ii) Lease of land for the Group's factory building at No. 17 Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia which amounted RM16,619,756 (2017: RM16,619,756). 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 40 years (2017: 41 years).

12. PREPAID LEASE PAYMENTS *cont'd*

Prepaid lease payments relate to: *cont'd*

(iii) Lease of land for the Group's factory building at 8 ½ Mile, Batu Kitang Road, Kuching which amounted RM1,843,333 (2017: RM1,843,333). The land for the factory building and office is leased over a period of 60 years expiring on 28 September 2076. The Group does not have an option to purchase the leasehold land at the expiry of the lease period. The leasehold land is amortised over the period of its remaining lease term of 58 years (2017: 59 years).

13. INVESTMENT PROPERTIES

	At fair value		
The Group	**Freehold properties RM**	**Long-term leasehold property RM**	**Total RM**
As of 1 July 2016/30 June 2017/1 July 2017	-	-	-
Arising from acquisition of subsidiary company (Note 14)	7,200,000	10,700,000	17,900,000
As of 30 June 2018	7,200,000	10,700,000	17,900,000

(a) At fair value

The fair values of the Group's investment properties as of 30 June 2018 have been arrived at by the directors based, among others, on valuations carried out in September 2018 by an independent firm of professional valuers that is not related to the Group using the comparison method of valuation and current prices in an active market for similar properties or replacement cost method.

The fair values of the Group's investment properties are classified as a Level 2 fair value item for the purposes of fair value hierarchy disclosure, except for a lease of land for the Group's factory building at No. 196803, Jalan Hala Jati 12, Kawasan Perindustrian Taman Meru, Off Jalan Jelapang, 30200 Ipoh, Perak Darul Ridzuan which amounted RM10,700,000 is categorised into Level 3 of the fair value hierarchy. The following table shows the significant unobservable input used in the valuation model.

Type	Significant unobservable inputs	Relationship of unobservable inputs and fair value measurement
Leasehold land and factory building	The most significant input into replacement cost method is price per square foot. The value of leasehold land and factory building are adjusted for differences in key attributes such as property size and usage of the property. Lack of market evidence of transaction prices for similar properties.	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

There were no transfers between Level 1 and 2 during the year.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

13. INVESTMENT PROPERTIES *cont'd*

(b) The following are recognised in the statements of profit or loss and other comprehensive income in respect of investment properties:

	The Group	
	15.01.2018 to 30.06.2018	2017
	RM	RM
Rental income	365,910	-
Direct operating expenses	37,413	-

14. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2018	2017
	RM	RM
Unquoted shares - at cost:		
At beginning of year	41,365,225	39,854,881
Additions	-	1,510,344
At end of year	41,365,225	41,365,225
Less: Impairment loss	(2,285,324)	(444,277)
Net	39,079,901	40,920,948

NOTES TO THE FINANCIAL STATEMENTS
cont'd

14. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Details of the subsidiary companies are as follows:

Name	Country of Incorporation	Proportion of ownership interest and voting power held by the Group 2018 %	2017 %	Principal Activities
Direct subsidiary companies				
GD Express Sdn. Bhd.	Malaysia	100	100	Provision of express delivery services
GD Venture (M) Sdn. Bhd.	Malaysia	100	100	Provision of transportation services to related company
GDEX SEA Sdn. Bhd. (formerly known as GD Technosystem Sdn. Bhd.)	Malaysia	100	100	Involved in investment holding
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
GD Valueguard Sdn. Bhd.*	Malaysia	100	100	Provision of insurance services
GD Express (Singapore) Pte. Ltd.*	Singapore	100	100	Provision of express delivery services
GDEX Regional Alliance Pte. Ltd.*	Singapore	100	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS
cont'd

14. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

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

Name	Country of Incorporation	Proportion of ownership interest and voting power held by the Group 2018 %	2017 %	Principal Activities
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
Indirect subsidiary Company held through GD Facilities & Assets Management Sdn. Bhd.				
GDEX Properties Sdn. Bhd. (formerly known as Abric Properties Sdn. Bhd.)*	Malaysia	100	-	Involved in property investment holding

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

NOTES TO THE FINANCIAL STATEMENTS
cont'd

14. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Composition of the Group

Information about the composition of the Group's subsidiary companies at the end of the reporting period is as follows:

Principal activities	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2018	2017
Express Delivery	Malaysia	5	5
	Singapore	2	2
Logistics	Malaysia	4	4
Investment Holding	Malaysia	1	-
		12	11

Amount owing by/(to) subsidiary companies, which arose mainly from management fees receivable, dividends receivables, unsecured advances and payments on behalf, is unsecured, interest-free and repayable on demand. Transactions with subsidiary companies are disclosed in Note 20.

Subsidiary acquired

On 26 October 2017, GD Facilities & Assets Management Sdn. Bhd., a wholly-owned subsidiary of the Company entered into a Conditional Share Sale Agreement ("SSA") with Abric Berhad for the acquisition of 2,000,000 ordinary shares representing 100% equity in GDEX Properties Sdn. Bhd. (formerly known as Abric Properties Sdn. Bhd.) ("GDEXP"), a wholly-owned subsidiary of Abric Berhad for a total purchase consideration of RM19,300,000. The acquisition was completed on 15 January 2018.

	Principal activities	Date of acquisition	Proportion of shares acquired	The Group Cash consideration transferred RM
2018:				
GDEXP	Involved in property investment holding	15 January 2018	100%	19,300,000

NOTES TO THE FINANCIAL STATEMENTS
cont'd

14. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Assets and liabilities assumed at the date of acquisition

	GDEXP Fair value RM
2018:	
Non-current assets	
Investment properties (Note 13)	17,900,000
Current assets	
Other receivables	30,034
Cash and bank balances	296,445
	326,479
Total Assets	18,226,479
Current liabilities	
Other payables and accruals	(236,396)
Tax liabilities	(36,160)
Total Liabilities	(272,556)
Fair value of net assets	17,953,923

Goodwill arising on acquisition

	GDEXP RM
2018:	
Consideration transferred	19,300,000
Less:	
Fair value of identifiable net assets acquired	(17,953,923)
Goodwill arising on acquisition (Note 17)	1,346,077

The goodwill is attributable mainly to three investment properties with ongoing tenancies.

14. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Net cash outflow on acquisition of subsidiaries

	The Group 2018 RM
Consideration paid in cash	19,300,000
Less: Cash and bank balances acquired	(296,445)
Net cash outflow	19,003,555

Impact of acquisitions on the results of the Group

Included in the Group's revenue and profit for the year are amounts attributable to the additional business generated by the subsidiary as follows:

	The Group 15.01.2018 to 30.06.2018 RM
Revenue	365,910
Profit for the year	179,853

Had this business combination been effected at 1 July 2017, the revenue of the Group would have been RM293,750,418, and the profit for the year would have been RM31,390,269. The directors of the Group consider these "pro-forma" numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Unquoted shares				
- at cost				
At beginning of year	5,500,000	-	5,500,000	-
Acquisition	-	5,500,000	-	5,500,000
At end of year	5,500,000	5,500,000	5,500,000	5,500,000
Share of post acquisition reserve				
At beginning of year	160,831	-	-	-
Share of profits of an associate	16,160	160,831	-	-
At end of year	176,991	160,831	-	-
Share of net assets	5,676,991	5,660,831	5,500,000	5,500,000

The details of an associate are as follows:

Name	Country of Incorporation	Proportion of ownership interest/voting rights held by the Group 2018	2017	Principal Activities
		%	%	
Web Bytes Sdn. Bhd.	Malaysia	30%	30%	Provision of software solution and other related activities

On 18 November 2016, the Company entered into a Share Purchase Agreement ("SPA") with Teak Ventures Sdn. Bhd., to acquire 30% equity interest in Web Bytes Sdn. Bhd., for a total consideration of RM5,500,000. The acquisition has been completed on 16 December 2016 following the completion of Conditions Precedents as stipulated in the SPA.

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENT IN AN ASSOCIATE *cont'd*

Summarised financial information of the associate is set out below. The summarised financial information represents the amount in the financial statements of the associate and not the Group's share of those amounts.

	2018 RM	2017 RM
Statement of financial position		
Non-current assets	274,520	189,284
Current assets	2,611,281	2,062,180
Total assets	2,885,801	2,251,464
Current liabilities	(1,003,284)	(337,915)
Net assets of the associate	1,882,517	1,913,549

	2018 RM	2017 RM
Statement of comprehensive income		
Revenue	7,178,312	3,188,249
Profit for the year	53,868	536,102
Share of profits of an associate	16,160	160,831

Reconciliation of the above summarised financial information to the carrying amount of the interest in associate recognised in the consolidated financial statements:

	2018 RM	2017 RM
Proportion of net assets of the associate	564,755	574,065
Goodwill	4,935,245	4,925,935
	5,500,000	5,500,000
Share of profits of an associate	176,991	160,831
	5,676,991	5,660,831

NOTES TO THE FINANCIAL STATEMENTS
cont'd

16. INVESTMENT IN CONVERTIBLE BONDS

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
At beginning of year	10,380,000	-	10,380,000	-
Subscription	-	10,380,000	-	10,380,000
At end of year	10,380,000	10,380,000	10,380,000	10,380,000

PT Satria Antaran Prima ("SAP"), a Company incorporated in the Republic of Indonesia, is principally involved in the business of a service company specialised in the field of courier and cargo. On 24 November 2016, the Company entered into a Convertible Bonds Agreement ("CBA") with SAP, to subscribe the convertible bonds amounted to IDR30,000,000,000 (approximately RM10,380,000). The subscription was completed on 27 December 2016.

The subscription of the convertible bonds is part of the Group's regional expansion plan. The convertible bonds are non-interest bearing and it is convertible to 40% of the total issued and paid-up share capital of SAP upon the occurrence of certain event within 5 years from the issue date of the convertible bonds.

As a result of certain rights as stipulated in the CBA, the management of the Company has determined that the Group has joint control over SAP. These rights over SAP include the following:

- Involvement in key divisions of SAP to support its operations
- Power to nominate the member of Board of Directors

Summarised financial information of SAP is set out below. As of the report date, the Company does not hold any contractual equity interest over the investment. Consequentially, the Company is not entitled to any share of profit or loss and other comprehensive income of the investment.

	2018		2017	
		Equivalents		Equivalents
	IDR	RM	IDR	RM
Assets	64,656,796,280	18,168,560	48,380,130,592	15,578,000
Liabilities	56,162,127,145	15,781,558	46,591,483,472	15,002,000

	2018 (12 months)		2017 (6 months)	
		Equivalents		Equivalents
	IDR	RM	IDR	RM
Revenue	186,928,796,118	56,078,639	63,995,773,977	21,079,000
Loss after tax	9,641,701,548	2,892,510	10,507,169,769	3,460,000

NOTES TO THE FINANCIAL STATEMENTS
cont'd

16. INVESTMENT IN CONVERTIBLE BONDS *cont'd*

On 31 August 2018, SAP is in the process of applying for public listing on the Development Board of Indonesia Stock Exchange ("IDX"). As stated in the preliminary prospectus, upon successful listing, SAP intends to utilise 61.5% of the IPO proceeds amounting to IDR67,200,000,000 equivalents to RM18.95 million to redeem the convertible bonds subscribed by GDEX.

17. GOODWILL ARISING FROM CONSOLIDATION

	The Group	
	2018	**2017**
	RM	**RM**
At beginning of year	-	-
Additions (Note 14)	1,346,077	-
Less: Impairment loss	(948,692)	-
At end of year	397,385	-

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination. Before recognition of any impairment losses, the carrying amount of goodwill was allocated to the following CGUs:

	The Group	
	2018	**2017**
	RM	**RM**
Leasehold land and factory buildings	948,692	-
Commercial office 1	248,366	-
Commercial office 2	149,019	-
	1,346,077	-

The recoverable amounts of CGUs are determined based on 'fair value less cost to sell' where a market valuation was performed by the qualified external valuers using comparison method as follows:

Leasehold land, commercial office 1 and 2 - transacted prices for similar properties

Factory buildings - replacement cost method

The fair value hierarchy and significant inputs are as disclosed in Note 13(a).

The review led to the recognition of the above impairment loss of goodwill to leasehold land and factory buildings due to the significant uncertainties of recovering values exceeding the market value of the property as there is non-renewal of tenancy and a stagnant property market.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

18. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables consist of:

	The Group	
	2018	2017
	RM	RM
Trade receivables	53,648,858	52,124,745
Less: Allowance for impairment	(2,637,736)	(2,257,611)
Net	51,011,122	49,867,134

The currency exposure profile of trade receivables is as follows:

	The Group	
	2018	2017
	RM	RM
Ringgit Malaysia	53,494,804	51,941,270
Singapore Dollar	154,054	183,475
	53,648,858	52,124,745

Trade receivables of the Group represent amounts receivable for the provision of express delivery services and logistics. The credit periods granted to customers range from 30 to 60 days (2017: 30 to 60 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.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. 80% of the trade receivables that are neither past due nor impaired have the best credit scoring attributable under the external credit scoring system used by the Group.

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 trade receivables balances.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

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

	The Group	
	2018	**2017**
	RM	**RM**
Past due:		
1 - 30 days	19,310,411	19,038,652
31 - 60 days	827,716	5,859,906
> 60 days	7,413,083	5,754,750
Total	27,551,210	30,653,308

Ageing of impaired receivables are as follows:

	The Group	
	2018	**2017**
	RM	**RM**
More than 1 year	2,637,736	2,257,611

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

	The Group	
	2018	**2017**
	RM	**RM**
At beginning of year	2,257,611	2,632,074
Amount recognised	1,760,807	1,348,196
Amount recovered during the year	(1,380,144)	(1,726,237)
Net (Note 7)	380,663	(378,041)
Translation differences	(538)	3,578
At end of year	2,637,736	2,257,611

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

Other receivables and prepaid expenses consist of:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Refundable deposits	9,297,072	5,054,953	200	200
Prepaid expenses	6,307,965	5,661,260	11,760	27,699
Other receivables	1,858,051	1,498,461	-	-
GST receivable	94,735	-	3,126	-
	17,557,823	12,214,674	15,086	27,899

Other receivables balance are not past due and not impaired.

Included in refundable deposits is deposits paid in relation to purchase of motor vehicles of RM368,993 (2017: RM1,495,029), purchase of leasehold land and building of RM921,120 (2017: RMNil) and rental deposit for branches of RM4,469,258 (2017: RM2,154,156).

Included in prepaid expenses is insurance and road tax for the motor vehicles and deposit for hire purchase agreement that will be net off against the final instalment of the hire purchase agreement.

The currency exposure profile of other receivables is as follows:

	The Group	
	2018	2017
	RM	RM
Ringgit Malaysia	1,850,089	1,488,375
Singapore Dollar	7,962	10,086
	1,858,051	1,498,461

NOTES TO THE FINANCIAL STATEMENTS
cont'd

19. SHORT TERM FUNDS

	The Group and The Company	
	2018	2017
	RM	RM
Available-for-sale financial assets:		
Investment in money market funds - at fair value	17,035,863	-

20. RELATED COMPANY TRANSACTIONS

The related party and its relationship with the Company is as follows:

Name of related party	Relationship
Yamato Asia Pte. Ltd.	A substantial shareholder of GD Express Carrier Berhad.

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

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
With related company,				
Yamato Asia Pte. Ltd.				
Advisory fees	(117,645)	(234,000)	(117,645)	(234,000)
With subsidiary companies,				
GD Venture (M) Sdn. Bhd.				
Management fee	-	-	610,500	610,500
Dividends	-	-	-	4,550,000
GD Express Sdn. Bhd.				
Management fee	-	-	927,960	927,960
Dividends	-	-	14,160,000	20,060,000

NOTES TO THE FINANCIAL STATEMENTS
cont'd

20. RELATED COMPANY TRANSACTIONS *cont'd*

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

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
With subsidiary companies,				
GD Facilities & Assets Management Sdn. Bhd.				
Management fee	-	-	293,040	293,040
GD Valueguard Sdn. Bhd.				
Management fee	-	-	122,100	122,100
GD Logistics Sdn. Bhd.				
Management fee	-	-	488,400	488,400
Dividends	-	-	-	800,000

21. ISSUED CAPITAL

		The Group and the Company			
	Note	Number of ordinary shares		RM	
		2018	2017	2018	2017
				RM	RM
Issued and fully paid:					
At beginning of year		5,576,236,692	1,383,239,537	313,836,577	69,161,977
Allotment of shares pursuant to:					
- Warrants 2015/2020 exercised	21(ii)	1,834,764	2,187,361	701,797	124,230
- bonus issue		-	4,182,177,519	-	209,108,876
- DRP	21(i)(b)	24,552,737	8,632,275	13,270,751	13,146,092
- Transfer from share premium	22	-	-	-	22,295,402
At end of year		5,602,624,193	5,576,236,692	327,809,125	313,836,577

21. ISSUED CAPITAL *cont'd*

(i) Ordinary Shares

During the financial year, the Company increased its issued and paid-up share capital from RM313,836,577, comprising 5,576,236,692 ordinary shares, to RM327,809,125, comprising 5,602,624,193 ordinary shares, as follows:

(a) Exercise of Warrants 2015/2020

Issuance of 1,834,764 new ordinary shares pursuant to the exercise of 1,834,764 Warrants 2015/2020 at the exercise price of RM0.3825 per warrant during the financial year. The amount of RM701,797 credited directly to the Company's issued capital.

(b) Dividend Reinvestment Plan ("DRP")

The Company via the announcement on 7 December 2017 proposed to undertake a recurrent and optional dividend reinvestment plan that allows the shareholders to reinvest their dividend as new ordinary shares in the Company.

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 Malaysia Securities Berhad; 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.

A total of 24,552,737 new ordinary shares at the issue price of RM0.5405 per share was issued pursuant to the exercise of DRP on 13 February 2018.

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

(ii) 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 Malaysia Securities Berhad.

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

NOTES TO THE FINANCIAL STATEMENTS
cont'd

21. ISSUED CAPITAL *cont'd*

(ii) Warrants 2015/2020 *cont'd*

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.

(e) During the last financial year, as a result of the bonus issue exercise mentioned in Note (c) of issue of shares and debentures, an additional 530,898,999 number of Warrants 2015/2020 adjustment was made in accordance with the provisions under the Deed Poll constituting the Warrants dated 20 January 2015. Consequentially, the exercise price of Warrants 2015/2020 was revised on 13 June 2017 from RM1.53 to RM0.3825.

The movements of Warrants 2015/2020 during the year are as follows:

	Number of Warrants 2015/2020	
	2018	**2017**
At beginning of year	707,865,332	179,153,694
Exercised during the year	(1,834,764)	(2,187,361)
Balance before bonus issue	706,030,568	176,966,333
Bonus issue	-	530,898,999
At end of year	706,030,568	707,865,332

NOTES TO THE FINANCIAL STATEMENTS
cont'd

22. RESERVES

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Non-distributable:				
Share premium	-	-	-	-
Translation reserve	289,581	413,738	-	-
	289,581	413,738	-	-
Distributable:				
Retained earnings	121,582,494	111,897,281	57,371,147	52,617,236
	121,872,075	112,311,019	57,371,147	52,617,236

Share premium

	Note	The Group and The Company	
		2018	2017
		RM	RM
At beginning of year		-	228,420,645
Warrants exercised (before bonus issue)		-	3,222,432
Bonus issue		-	(209,108,876)
Corporate exercise expenses		-	(238,799)
Transfer arising from "no par value" regime (Note 21)		-	(22,295,402)
At end of year		-	-

In accordance with the transitional provisions of the Companies Act, 2016, the amount standing to the credit of the Group's and of the Company's share premium account has become part of the Group's and of the Company's share capital. These changes do not have an impact on the number of shares in issue or the relative entitlement of any of the shareholders.

However, the Group and the Company have a period of 24 months from the effective date of the Companies Act, 2016 to use the existing balances credited in the share premium account and capital redemption reserves in a manner as specified by the Companies Act, 2016.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

22. RESERVES *cont'd*

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

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

23. HIRE-PURCHASE PAYABLES

	The Group	
	2018	2017
	RM	RM
Total outstanding	44,251,750	32,685,935
Less: Interest-in-suspense	(3,033,205)	(3,011,891)
Principal outstanding	41,218,545	29,674,044
Less: Amount due within 12 months (shown under current liabilities)	(15,155,343)	(8,392,359)
Non-current portion	26,063,202	21,281,685

The non-current portion is repayable as follows:

	The Group	
	2018	2017
	RM	RM
Within 1 - 2 years	14,234,306	7,725,241
Within 3 - 5 years	11,828,896	13,556,444
	26,063,202	21,281,685

The interest rates implicit in these hire-purchase obligations ranges from 2.45% to 7.16% (2017: 2.70% to 7.16%) per annum. The hire-purchase payables are secured by a charge over the property, plant and equipment under hire-purchase as disclosed in Note 11.

24. PROVISION FOR RETIREMENT BENEFITS

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
At beginning of year	281,722	246,348	24,842	21,823
Charge to profit or loss (Note 7)	45,086	34,572	3,266	3,019
Translation adjustment	(1,126)	802	-	-
At end of year	325,682	281,722	28,108	24,842

The most recent actuarial valuation of the defined benefit plan was carried out on 14 July 2015 by Mr. Sreedhar Menon, Fellow of the Society of Actuaries (SOA). 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 and the Company 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	
	2018	2017	2018	2017
	RM	RM	RM	RM
Discount rate	5.00%	5.00%	5.00%	5.00%
Monthly average staff turnover rate	5.00%	5.00%	5.00%	5.00%

Barring any unforeseen circumstances, the management believes that no reasonable change in the above assumptions would cause the amount of provision to be materially affected. Thus, no sensitivity analysis is disclosed.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

25. DEFERRED TAX LIABILITIES

	The Group	
	2018	2017
	RM	RM
At beginning of year	(4,047,200)	(3,047,700)
(Charge)/Credit to profit or loss (Note 9):		
Property, plant and equipment	(998,799)	(959,118)
Trade receivables	94,022	(51,602)
Provision for retirement benefits	9,148	11,220
	(895,629)	(999,500)
At end of year	(4,942,829)	(4,047,200)

Deferred tax liabilities provided in the financial statements are in respect of the tax effects of the following:

	The Group	
	2018	2017
	RM	RM
Deferred tax assets (before offsetting):		
Temporary differences arising from:		
Trade receivables	630,420	536,398
Provision for retirement benefits	65,368	56,220
	695,788	592,618
Offsetting	(695,788)	(592,618)
Deferred tax assets (after offsetting)	-	-
Deferred tax liabilities (before offsetting):		
Temporary differences arising from property, plant and equipment	(5,638,617)	(4,639,818)
Offsetting	695,788	592,618
Deferred tax liabilities (after offsetting)	(4,942,829)	(4,047,200)

25. DEFERRED TAX LIABILITIES *cont'd*

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 year end, 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	
	2018	**2017**
	RM	**RM**
Unused tax losses	150,024	176,653

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

26. 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 (2017: 30 days).

The currency exposure profile of trade payables is as follows:

	The Group	
	2018	**2017**
	RM	**RM**
Ringgit Malaysia	2,024,193	3,171,149
Singapore Dollar	12,623	13,666
	2,036,816	3,184,815

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

Other payables and accrued expenses consist of:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Other payables	4,416,218	4,708,985	295,060	446,564
Accrued expenses	5,752,522	2,641,906	218,936	124,641
Accrued staff costs	9,496,899	5,979,016	-	-
GST payable	-	899,835	-	9,515
	19,665,639	14,229,742	513,996	580,720

The currency exposure profile of other payables is as follows:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Ringgit Malaysia	4,351,628	4,471,880	295,060	446,564
Singapore Dollar	64,590	237,105	-	-
	4,416,218	4,708,985	295,060	446,564

NOTES TO THE FINANCIAL STATEMENTS
cont'd

27. DIVIDENDS

	The Group and The Company	
	2018	2017
	RM	RM
In respect of financial year ended 30 June 2017:		
Dividend of 0.250 sen per share:		
DRP (Note 21(i)(b))	13,270,751	-
Cash	671,402	-
In respect of financial year ended 30 June 2016:		
Dividend of 1.000 sen per share:		
DRP	-	13,146,092
Cash	-	708,072
	13,942,153	13,854,164

The directors proposed a dividend of 0.200 sen per share amounting to approximately RM11.2 million in respect of the financial year ended 30 June 2018. 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.

28. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Deposits with licensed banks	253,636,792	289,578,088	237,969,933	270,296,667
Cash and bank balances	32,640,178	16,760,402	14,145,257	3,257,869
	286,276,970	306,338,490	252,115,190	273,554,536
Less: Non cash and cash equivalents:				
Deposits pledged with licensed banks	-	(64,515)	-	-
Deposits with licensed banks with maturity term more than 3 months	(253,569,133)	(231,502,373)	(237,969,933)	(220,296,667)
	32,707,837	74,771,602	14,145,257	53,257,869

NOTES TO THE FINANCIAL STATEMENTS
cont'd

28. CASH AND CASH EQUIVALENTS *cont'd*

Deposits with licensed banks earn interest at rates ranging from 2.95% to 4.41% (2017: 3.18% to 3.70%) per annum. Deposits with licensed banks of the Group and of the Company have an average maturity term of 1 to 12 months (2017: 1 to 12 months).

Cash Held on Behalf of Customer from Cash on Delivery Service

Included in the cash at banks and on hand of the Group are cash held on behalf of customer from cash on delivery service amounting to RM5,633,544 (2017: RM6,261,252). These cash held on behalf of customers are presented as net and does not form part of the Group's cash and cash equivalents.

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

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Ringgit Malaysia	284,244,306	304,378,725	252,115,190	273,554,536
Singapore Dollar	2,032,664	1,959,765	-	-
	286,276,970	306,338,490	252,115,190	273,554,536

29. 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 23) and equity (as disclosed in Notes 21 and 22).

29. FINANCIAL INSTRUMENTS *cont'd*

Gearing Ratio

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

	The Group	
	2018	2017
	RM	RM
Debt	41,218,545	29,674,044
Equity	449,681,200	426,147,596
Debt to equity ratio (%)	9.17	6.96

Debt consists of secured borrowings and hire-purchase payables.

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	
	2018	2017	2018	2017
	RM	RM	RM	RM
Financial assets				
Loans and receivables:				
Trade receivables	51,011,122	49,867,134	-	-
Other receivables and refundable deposits (Note 18)	11,155,123	6,553,414	200	200
Amount owing by subsidiary companies	-	-	61,691,479	36,963,880
Short term funds	17,035,863	-	17,035,863	-
Cash and bank balances	32,640,178	16,760,402	14,145,257	3,257,869
Deposits with licensed Banks	253,636,792	289,578,088	237,969,933	270,296,667

NOTES TO THE FINANCIAL STATEMENTS
cont'd

29. FINANCIAL INSTRUMENTS *cont'd*

Categories of Financial Instruments: *cont'd*

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Financial liabilities				
Other financial liabilities:				
Trade payables	2,036,816	3,184,815	-	-
Other payables and accrued expenses (Note 26)	19,665,639	13,329,907	513,996	571,205
Amount owing to subsidiary companies	-	-	17,368	17,368
Hire-purchase payables (Note 23)	41,218,545	29,674,044	-	-

Financial Risk Management Objectives

The operations of the Group are subject to various financial risks, including 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.

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 and intercompany indebtedness.

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 financial 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 by banks provided to the subsidiary companies. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on.

29. FINANCIAL INSTRUMENTS *cont'd*

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.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

The Group	Weighted average effective interest rate	Less than 1 year	1 to 2 years	3 to 5 years	Total
	(%)	RM	RM	RM	RM
2018					
Financial liabilities					
Non-interest bearing:					
Trade payables		2,036,816	-	-	2,036,816
Other payables and accrued expenses		19,665,639	-	-	19,665,639
Interest bearing:					
Hire-purchase payables	3.02	16,872,574	15,187,347	12,191,829	44,251,750
		38,575,029	15,187,347	12,191,829	65,954,205

NOTES TO THE FINANCIAL STATEMENTS
cont'd

29. FINANCIAL INSTRUMENTS *cont'd*

Liquidity Risk Management

The Group	Weighted average effective interest rate	Less than 1 year	1 to 2 years	3 to 5 years	Total
	(%)	RM	RM	RM	RM
2017					
Financial liabilities					
Non-interest bearing:					
Trade payables		3,184,815	-	-	3,184,815
Other payables and accrued expenses		13,329,907	-	-	13,329,907
Interest bearing:					
Hire-purchase payables	3.26	9,837,466	8,634,235	14,214,234	32,685,935
		26,352,188	8,634,235	14,214,234	49,200,657

	The Company Less than 1 year 2018	2017
	RM	RM
Financial liabilities		
Non-interest bearing:		
Other payables	513,996	571,205
Amount owing to subsidiary companies	17,368	17,368
Financial guarantee contracts*	-	-

* *At the end of the reporting period, it was not probable that the counter parties to financial guarantee contracts will claim under the contracts. Consequently, the amount included is negligible.*

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

29. FINANCIAL INSTRUMENTS *cont'd*

Fair Values

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

The carrying amounts approximate fair values because of the short maturity period of these instruments, except as follows:

	The Group and The Company	
	2018	2017
	RM	RM
Short-term fund	17,035,863	-

The fair value of the financial asset included in the Level 2 category above has been determined in accordance with the net asset value of the unit trust fund.

The following table presents the Group's and the Company's financial instrument that is measured at fair value:

	The Group and The Company	
	2018	2017
	RM	RM
Level 2		
Available-for-sale financial asset	17,035,863	-

The fair value of the financial asset included in the Level 2 category above has been determined in accordance with the generally accepted pricing model based on the net asset value of the unit trust fund.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

29. FINANCIAL INSTRUMENTS *cont'd*

Hire-purchase payables and borrowings

The fair values of hire-purchase payables and borrowings are estimated using discounted cash flow analysis based on current borrowing rates for similar type of borrowing/financing arrangements (Level 2 fair value measurements).

	The Group			
	2018		2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM	RM	RM	RM
Financial Liabilities				
Hire-purchase payables (Note 23)	41,218,545	44,767,603	29,674,044	29,365,634

30. RENTAL COMMITMENTS

As of year end, the Group has the following commitments in respect of rental of premises:

	The Group	
	Future Minimum Lease Payments	
	2018	2017
	RM	RM
Within 1 year	4,788,503	3,763,656
1 - 2 years	1,073,510	3,845,830
2 - 5 years	155,138	476,068
	6,017,151	8,085,554

NOTES TO THE FINANCIAL STATEMENTS
cont'd

31. CAPITAL COMMITMENTS

	The Group	
	2018	2017
	RM	RM
Approved and contracted for:		
Purchase of motor vehicles	10,308,674	20,503,469
Purchase of tools and equipment	540,068	187,578
Purchase of leasehold lands and buildings	4,228,880	-
Renovation of warehouse	2,813,690	-
	17,891,312	20,691,047

32. CONTINGENT LIABILITIES - UNSECURED

	The Company	
	2018	2017
	RM	RM
Corporate guarantee given to a bank for banking facilities granted to subsidiary companies	92,000,000	86,500,000
Corporate guarantee given to a supplier for credit facility granted to a subsidiary company	-	50,000
	92,000,000	86,550,000

The total amount of corporate guarantees provided by the Company to financial institutions for the banking facilities granted to subsidiary companies amounted to RM92,000,000 (2017: RM86,500,000). The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary companies' borrowings in view of the securities pledged by the subsidiary companies.

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows as cash flows from/(used in) financing activities:

	At 1 July 2017	Cash Flows	New Hire Purchase Agreements	At 30 June 2018
	RM	RM	RM	RM
Hire-purchase payables (Note 23)	29,674,044	(11,944,008)	23,488,509	41,218,545

NOTES TO THE FINANCIAL STATEMENTS
cont'd

34. SUBSEQUENT EVENTS

(a) On 13 June 2018, the wholly owned subsidiary company, GDEX Properties Sdn. Bhd. entered into 4 sale and purchase agreements to purchase 4 sublots of a leasehold lands and buildings located in Kuching, totalled to RM5,150,000. The purchases has yet to complete as of the date of the report as the Memorandum of Transfer has yet to be executed by the vendor.

(b) On 3 October 2018, the Company and two of its wholly-owned subsidiary companies, namely GDEX SEA Sdn. Bhd. (formerly known as GD Technosystem Sdn. Bhd.) and GD Valueguard Sdn. Bhd. had subscribed and hold 16.5%, 18% and 10% respectively, represented a total 44.5% or 370,883,300 new ordinary shares of IDR100 each at an issue price of IDR250 per share in PT Satria Antaran Prima TBK ("SAP Express") upon completion of the proposed IPO subscription of SAP Express.

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, 2016 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 2018 and of the financial performance and the cash flows of the Group and of the Company for the year then ended on that date.

Signed in accordance with a resolution of the Directors,

TEONG TECK LEAN

LEE KAH HIN

Petaling Jaya,
4 October 2018

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
PETALING JAYA on this 4th day of October, 2018.

Before me,

HEMALA RAJALINGAM
NO. B430
COMMISSIONER FOR OATHS

ANALYSIS OF SHAREHOLDINGS
as at 8 October 2018

Total number of Issued Shares	:	5,602,624,193
Class of Shares	:	Ordinary shares
Voting Rights	:	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	218	2.35	6,208	0.00
100 – 1,000	766	8.25	416,701	0.01
1,001 – 10,000	4,144	44.63	23,258,263	0.42
10,001 – 100,000	3,517	37.87	114,044,778	2.03
100,001 – 280,131,208[1]	636	6.85	1,632,424,635	29.14
280,131,209 and above[2]	5	0.05	3,832,473,608	68.40
TOTAL	**9,286**	**100.00**	**5,602,624,193**	**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	MAYBANK NOMINEES (ASING) SDN BHD *NOMURA SINGAPORE LIMITED FOR YAMATO ASIA PTE LTD (683567)*	1,278,106,910	22.81
2	GD EXPRESS HOLDINGS (M) SDN BHD	712,747,610	12.72
3	GD EXPRESS HOLDINGS (M) SDN BHD	706,929,817	12.62
4	AFFIN HWANG NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR SINGAPORE POST LIMITED*	628,444,466	11.22
5	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR BANK JULIUS BAER & CO LTD (SINGAPORE BCH)*	506,244,805	9.04
6	LEONG CHEE TONG	129,667,688	2.31
7	GD HOLDINGS INTERNATIONAL LIMITED	114,478,709	2.04
8	AFFIN HWANG NOMINEES (ASING) SDN BHD *EXEMPT AN FOR DBS VICKERS SECURITIES (SINGAPORE) PTE LTD (CLIENTS)*	113,829,639	2.03

ANALYSIS OF SHAREHOLDINGS
as at 8 October 2018
cont'd

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

No.	Name of Shareholders/Depositors	No. of Shares	%
9	DING MEI SIANG	92,242,364	1.65
10	LAU WING TAT	73,839,555	1.32
11	LAU WING TAT	69,578,641	1.24
12	LOI SIEW HOONG	58,513,154	1.04
13	TEONG TECK LEAN	56,146,569	1.00
14	AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	46,313,228	0.83
15	AGNES CHAN WAI CHING	44,987,372	0.80
16	KONG HWAI MING	41,155,076	0.73
17	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD *EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)*	40,576,850	0.72
18	AFFIN HWANG NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR LAU CHEN HONG*	29,611,131	0.53
19	AMSEC NOMINEES (TEMPATAN) SDN BHD *AMBANK (M) BERHAD FOR TEONG TECK LEAN (6186-1501)*	27,172,604	0.49
20	TEE CHERN JYU	25,216,758	0.45
21	CIMB GROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR DBS BANK LTD (SFS-PB)*	23,221,505	0.41
22	GDEX FOUNDATION	19,837,810	0.35
23	TEONG TECK LEAN	18,283,976	0.33
24	CHAN MOON FOOK	17,274,597	0.31
25	AFFIN HWANG NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR KONG HWAI MING*	16,270,836	0.29
26	CHIN CHEE SUE	14,878,356	0.27
27	CARTABAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR LGT BANK AG (FOREIGN)*	13,683,734	0.24
28	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)*	13,562,643	0.24
29	UOB KAY HIAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)*	13,159,825	0.23
30	MILLENNIUM SECTOR SDN BHD	12,300,749	0.22
	TOTAL	**4,958,276,977**	**88.48**

ANALYSIS OF SHAREHOLDINGS

as at 8 October 2018
cont'd

DIRECTORS' SHAREHOLDINGS AS AT 8 OCTOBER 2018

	Direct Interest		Indirect Interest	
Name of Directors	**No. of Shares**	**% of Issued Capital**	**No. of Shares**	**% of Issued Capital**
DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	46,313,228	0.83	9,171,298[a]	0.16
TEONG TECK LEAN	123,366,383	2.02	2,066,988,751[b]	36.89
LIEW HENG HENG	4,105,911	0.07	-	-
ADI ARMAN BIN ABU OSMAN	-	-	-	-
WOO KENG LEONG	-	-	-	-
LIM CHEE SEONG	327,500	0.01	-	-
CHUA KHING SENG	-	-	-	-
LEE KAH HIN	711,282	0.01	-	-

Notes:-

[a] *Deemed interested by virtue of his shareholdings in Essem Capital Sdn Bhd and Essem Corporation Sdn Bhd pursuant to Section 8 of the Companies Act 2016 and disclosure is made pursuant to Section 59(11)(c) of the Companies Act 2016 on interest held by his spouse and children in the Company and in DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Bank of Singapore Limited.*

[b] *Deemed interested by virtue of the substantial shareholdings of his interest in GD Express Holdings (M) Sdn Bhd, GD Holdings International Limited and GDEX Foundation pursuant to Section 8 of the Companies Act 2016.*

ANALYSIS OF SHAREHOLDINGS

as at 8 October 2018
cont'd

SUBSTANTIAL SHAREHOLDERS AS AT 8 OCTOBER 2018

Name of Substantial Shareholders	Direct Interest No. of Shares	Direct Interest % of Issued Capital	Indirect Interest No. of Shares	Indirect Interest % of Issued Capital
TEONG TECK LEAN	123,366,383	2.02	2,066,988,751[a]	36.89
GD EXPRESS HOLDINGS (M) SDN BHD	1,419,677,427	25.34	-	-
GD HOLDINGS INTERNATIONAL LIMITED	627,473,514	11.20	-	-
SINGAPORE POST LIMITED	628,444,466	11.22	-	-
SINGAPORE TELECOMMUNICATIONS LIMITED	-	-	628,444,466[b]	11.22
TEMASEK HOLDINGS (PRIVATE) LIMITED	-	-	628,444,466[b]	11.22
YAMATO ASIA PTE LTD	1,278,106,910	22.81	-	-
YAMATO HOLDINGS CO., LTD	-	-	1,278,106,910[c]	22.81

Notes:-

[a] *Deemed interested by virtue of his interest in GDEX Foundation (19,837,810 ordinary shares), his personal and spouse's Wang Herng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (1,419,677,427 ordinary shares) and GD Holdings International Limited (627,473,514 ordinary shares) pursuant to Section 8 of the Companies Act 2016.*

[b] *Deemed interested by virtue of its substantial shareholding in Singapore Post Limited pursuant to Section 8 of the Companies Act 2016.*

[c] *Deemed interested by virtue of its substantial shareholding in Yamato Asia Pte Ltd pursuant to Section 8 of the Companies Act 2016.*

ANALYSIS OF WARRANTS-B HOLDINGS
as at 8 October 2018

Total number of Outstanding Warrants-B	:	706,030,568 Warrants-B
Issue date	:	6 February 2015
Expiry date	:	11 February 2020
Exercise price per Warrant-B	:	RM0.3825

ANALYSIS OF WARRANTS-B HOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Warrants-B	% of Issued Warrants-B
1 – 99	128	7.56	6,794	0.00
100 – 1,000	510	30.12	173,746	0.02
1,001 – 10,000	512	30.24	2,295,648	0.33
10,001 – 100,000	393	23.21	13,704,192	1.94
100,001 – 35,301,527[1]	147	8.68	249,160,692	35.29
35,301,528 and above[2]	3	0.18	440,689,496	62.42
TOTAL	**1,693**	**100.00**	**706,030,568**	**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	193,182,496	27.36
2	AFFIN HWANG NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR SINGAPORE POST LIMITED*	173,388,736	24.56
3	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR BANK JULIUS BAER & CO LTD (SINGAPORE BCH)*	74,118,264	10.50
4	LAU WING TAT	22,338,000	3.16
5	TEONG TECK LEAN	17,049,876	2.41
6	GD EXPRESS HOLDINGS (M) SDN BHD	16,000,000	2.27
7	AFFIN HWANG NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR KONG HWAI MING*	15,194,020	2.15
8	AFFIN HWANG NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR LAU CHEN HONG*	14,243,720	2.02

ANALYSIS OF WARRANTS-B HOLDINGS

as at 8 October 2018
cont'd

LIST OF TOP 30 WARRANTS-B HOLDERS *cont'd*

No.	Name of Warrants-B Holders	No. of Warrants-B	%
9	DING MEI SIANG	13,505,016	1.91
10	LAU WING TAT	11,076,848	1.57
11	LOI SIEW HOONG	9,157,800	1.30
12	UOB KAY HIAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)*	8,365,484	1.18
13	GD HOLDINGS INTERNATIONAL LIMITED	7,290,080	1.03
14	AGNES CHAN WAI CHING	7,037,844	1.00
15	KONG HWAI MING	6,025,432	0.85
16	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (HONGKONG BRANCH)*	5,480,000	0.78
17	AFFIN HWANG NOMINEES (ASING) SDN BHD *EXEMPT AN FOR DBS VICKERS SECURITIES (SINGAPORE) PTE LTD (CLIENTS)*	5,053,892	0.72
18	MILLENNIUM SECTOR SDN BHD	4,857,600	0.69
19	UOBM NOMINEES (ASING) SDN BHD *UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR AURORA HOLDINGS PTE LTD*	4,200,000	0.59
20	TEE CHERN JYU	4,138,672	0.59
21	KENANGA NOMINEES (ASING) SDN BHD *EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)*	3,289,100	0.47
22	RHB NOMINEES (TEMPATAN) SDN BHD *KWOK NGUK MOOI*	3,237,900	0.46
23	GDEX FOUNDATION	2,904,412	0.41
24	LEW KIM TECK	2,649,700	0.38
25	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)*	2,587,160	0.37
26	PUBLIC INVEST NOMINEES (ASING) SDN BHD *EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)*	2,511,100	0.36
27	CIMB GROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR DBS BANK LTD (SFS-PB)*	2,420,000	0.34
28	CHAN MOON FOOK	2,349,120	0.33
29	AFFIN HWANG NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR TANG TAI MOY*	2,282,124	0.32
30	CHIN CHEE SUE	2,178,308	0.31
	TOTAL	**634,112,704**	**90.39**

ANALYSIS OF WARRANTS-B HOLDINGS
as at 8 October 2018
cont'd

DIRECTORS' WARRANTS-B HOLDINGS AS AT 8 OCTOBER 2018

	Direct Interest		Indirect Interest	
Name of Directors	No. of Warrants-B	% of Issued Warrants-B	No. of Warrants-B	% of Issued Warrants-B
DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	-	-	360,000[a]	0.05
TEONG TECK LEAN	18,569,876	2.62	293,495,252[b]	41.46
LIEW HENG HENG	605,084	0.09	-	-
ADI ARMAN BIN ABU OSMAN	-	-	-	-
WOO KENG LEONG	-	-	-	-
LIM CHEE SEONG	48,000	0.01		
CHUA KHING SENG	-	-	-	-
LEE KAH HIN	-	-	-	-

Notes:-

[a] *Deemed interested by virtue of the Warrants-B held by DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Bank of Singapore Limited.*

[b] *Deemed interested by virtue of his interest in GDEX Foundation (2,904,412 Warrants-B), his personal and spouse's Wang Herng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (209,182,496 Warrants-B) and GD Holdings International Limited (81,408,344 Warrants-B) pursuant to Section 8 of the Companies Act 2016.*

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 30.06.2018 (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	59 years	17,998,278	-
(2)	19 - 21, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan.	Corporate Head Office and Distribution Hub	91,666	99 years lease expiring 13 August 2056	45 years	7,084,133	20 June 2008 and 30 June 2009
(3)	Sub-lots No. 1 - 4, 8½ Miles, Batu Kitang Road, 93250 Kuching, Sarawak.	Branch office, Distribution Hub and Warehouses	26,886	60 years lease expiring 23 October 2076	2 years	5,355,903	-
(4)	Unit 41-18 Q Sentral, 2A Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.	Commercial office rented as Investment Properties	2,917	Freehold	3 years	4,500,000	3 October 2018
(5)	J-8-6, J-8-7 & J-8-8, SOHO KL, Solaris Mont Kiara, No. 2, Jalan Solaris, Mont Kiara 50480 Kuala Lumpur, Wilayah Persekutuan.	Commercial office rented as Investment Properties	3,749	Freehold	9 years	2,700,000	3 October 2018
(6)	Lot No. 196803, Jalan Hala Jati 12, Kawasan Perindustrian Taman Meru, Off Jalan Jelapang 30020 Ipoh, Perak Darul Ridzwan.	Double Storey Factory Building	143,956	60 Year Lease expiring 21st June 2052	26 years	10,700,000	3 October 2018

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting of the Company will be held at Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Thursday, 6 December 2018 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 2018 together with the Directors' and Auditors' Reports thereon.

Please refer to Explanatory Note 1

2. To approve the payment of a first and final single-tier dividend of 0.20 sen per ordinary share in respect of the financial year ended 30 June 2018.

Ordinary Resolution 1

3. To approve the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company up to an aggregate amount of RM321,200.00 for the financial year ending 30 June 2019.

Ordinary Resolution 2

4. To re-elect the following Directors who retire pursuant to Clause 96 of the Constitution of the Company:

   (a) Mr Woo Keng Leong **Ordinary Resolution 3**
   (b) Mr Lim Chee Seong **Ordinary Resolution 4**
   (c) Mr Chua Khing Seng **Ordinary Resolution 5**

5. To re-appoint Messrs Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

Ordinary Resolution 6

As Special Business

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

6. **Retention of Dato' Capt. Ahmad Sufian as Independent Non-Executive Director**

   "**THAT** Dato' Capt. Ahmad Sufian who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution 7

NOTICE OF ANNUAL GENERAL MEETING
cont'd

7. **Retention of Liew Heng Heng 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 twelve (12) years be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."

   Ordinary Resolution 8

8. **Authority under Section 75 and Section 76 of the Companies Act 2016 for the Directors to allot and issue shares**

   "**THAT** pursuant to Section 75 and 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."

   Ordinary Resolution 9

9. **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**

   "**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 10

NOTICE OF ANNUAL GENERAL MEETING
cont'd

10. **Proposed Renewal of 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 30 October 2018, 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 the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

Ordinary Resolution 11

NOTICE OF ANNUAL GENERAL MEETING
cont'd

11. To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

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

Selangor Darul Ehsan
Date: 30 October 2018

Notes:

1. *A proxy may but need not be a member.*

2. *To be valid, this form, duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).*

3. *A member shall be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

4. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

5. *If the appointor is a corporation, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*

6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 28 November 2018 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend and/or vote on his behalf.*

NOTICE OF ANNUAL GENERAL MEETING
cont'd

EXPLANATORY NOTES:-

1. ***Item 1 of the Agenda***

   The Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. ***Item 3 of the Agenda***

   Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. The current benefits payable to the Independent Non-Executive Directors comprises meeting allowances.

   The proposed Ordinary Resolution 2, is to facilitate the payment of Directors' fees and benefits based on the current board size and the number of scheduled meetings. In the event that the amount proposed is insufficient (due to enlarged Board size and additional number of meetings), approval will be sought at the next AGM for the shortfall.

3. ***Item 6 of the Agenda***

   Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid ("Dato' Capt. Ahmad Sufian") was appointed as an Independent Non-Executive Director on 8 February 2005. Dato' Capt. Ahmad Sufian has served the Company for more than twelve (12) years as at the date of the notice of this AGM. The Board of Directors ("Board") has via the Combined Nomination and Remuneration Committee conducted an evaluation on Dato' Capt. Ahmad Sufian who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years and is satisfied that Dato' Capt. Ahmad Sufian is able to exercise independent judgement and act in the best interest of the Company. The Board recommends Dato' Capt. Ahmad Sufian to remain 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 12 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.*

   At the last annual general meeting held on 6 December 2017, the shareholders of the Company had approved the retention of Dato' Capt. Ahmad Sufian as an Independent Non-Executive Director of the Company.

   The proposed Ordinary Resolution 7, if passed, will allow Dato' Capt. Ahmad Sufian to continue to act as Independent Non-Executive Director of the Company.

NOTICE OF ANNUAL GENERAL MEETING
cont'd

4. ***Item 7 of the Agenda***

Ms Liew Heng Heng ("Ms Liew") was appointed as an Independent Non-Executive Director on 8 February 2005. Ms Liew has served the Company for more than 12 years as at the date of the notice of this AGM. The Board has via the Combined Nomination and Remuneration Committee conducted an evaluation on Ms Liew who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years and is satisfied that Ms Liew is able to exercise independent judgement and act in the best interest of the Company. The Board recommends Ms Liew to remain 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 12 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.*
e. *She a member of the Malaysian Institute of Accountants.*

At the last annual general meeting held on 6 December 2017, the shareholders of the Company had approved the retention of Ms Liew as an Independent Non-Executive Director of the Company.

The proposed Ordinary Resolution 8, if passed, will allow Ms Liew to continue to act as Independent Non-Executive Director of the Company.

5. ***Item 8 of the Agenda***

The Company had, at its Fourteenth AGM held on 6 December 2017, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 75 and Section 76 of the Companies Act 2016 ("the Act"). As at the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

Ordinary Resolution 9 proposed under item 8 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 75 and Section 76 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 AGM.

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.

6. ***Item 9 of the Agenda***

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.

Ordinary Resolution 10 proposed under item 9 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 AGM. A renewal of this authority will be sought at the next AGM.

NOTICE OF ANNUAL GENERAL MEETING
cont'd

7. Item 10 of the Agenda

The proposed adoption of the Ordinary Resolution 11 is a renewal of Shareholders' Mandate which will enable the Group to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature which are necessary for the Group'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 30 October 2018 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.*

GD EXPRESS

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

PROXY FORM

No. of shares held	
CDS Account No.	

*I/We, ____ (Full Name in Block Letters),

NRIC No./Passport No./Company No. ____________________ of ____

____________________________________ (Address) and Telephone No./Email Address ______________________

being a member/members of GD Express Carrier Bhd hereby appoint ____________________________________

(NRIC/Passport No. ______________________) of ______________________or failing *him/her______________

__________________________ (NRIC/Passport No. ______________________) of ____________________________

____

or failing *him/her, the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the Fifteenth Annual General Meeting of the Company to be held at Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Thursday, 6 December 2018 at 11.00 a.m. and at any adjournment thereof.

*I/We indicate with an "x" in the spaces below how *I/We wish *my/our vote to be cast.

ITEM	AGENDA		FOR	AGAINST
1.	First and final single-tier dividend of 0.20 sen per ordinary share in respect of the financial year ended 30 June 2018	Ordinary Resolution 1		
2.	Approval of Directors' fees and benefits payable to the Non-Executive Directors of the Company up to an aggregate amount of RM321,200.00 for the financial year ending 30 June 2019.	Ordinary Resolution 2		
3.	Re-election of Mr Woo Keng Leong as Director	Ordinary Resolution 3		
4.	Re-election of Mr Lim Chee Seong as Director	Ordinary Resolution 4		
5.	Re-election of Mr Chua Khing Seng as Director	Ordinary Resolution 5		
6.	Re-appointment of Auditors and to authorise the Directors to fix their remuneration	Ordinary Resolution 6		
7.	Retention of Dato' Capt. Ahmad Sufian as Independent Non-Executive Director	Ordinary Resolution 7		
8.	Retention of Ms Liew Heng Heng as Independent Non-Executive Director	Ordinary Resolution 8		
9.	Authority under Section 75 and Section 76 of the Companies Act 2016 for the Directors to allot and issue shares	Ordinary Resolution 9		
10.	Proposed Renewal of the authority to allot and issue new ordinary shares in GD Express Carrier Bhd for the purpose of the Company's Dividend Reinvestment Plan	Ordinary Resolution 10		
11.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 11		

*Subject to the abovestated voting instructions, *my/our proxy vote or abstain from voting on any resolutions as *he/she/they may think fit.*

**Strikeout whichever is not desired.*
[Unless otherwise instructed, the proxy may vote as he thinks fit.]

Signed this ____________ day of ________________ 2018.

____
Signature/Common Seal

The proportion of *my/our shareholdings to be represented by the proxies:	
First Proxy	%
Second Proxy	%
	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 proxy may but need not be a member.*
2. *To be valid, this form, duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).*
3. *A member shall be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
4. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
5. *If the appointor is a corporation, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 28 November 2018 (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 30 October 2018.

OUR STATIONS

Headquarters (PJ)
03-7787 2222

Ajil
09-682 6271

Alor Gajah
06-556 4440

Alor Setar
04-734 9636

Ayer Hitam
04-826 2091

Ampang
03-4280 1415

Bahau
06-454 0295

Bandar Chiku
09-928 4035

Bangi
03-8922 2184

Banting
03-3180 1601

Batu Pahat
07-435 2533

Bayan Baru
04-645 6525

Benta
09-323 9453

Bentong
09-223 5099

Bukit Beruntung
03-6021 3634

Bukit Mertajam
04-540 4480

Bukit Pasir
06-985 9852

Bukit Rahman Putra
03-6157 2106

Butterworth
04-313 2471

Cheras
03-9281 6951

Damansara Perdana
03-7722 3400

Gemas
07-948 1266

Gemencheh
06-431 9420

Gerik
019-689 1690

Gua Musang
09-912 6622

Gurun
019-315 8755

Ipoh
05-545 0596

Jerantut
09-266 2708

Jerteh
09-697 2737

Jitra
04-714 0403

Johor Bahru
07-333 5578

Kajang
03-8737 0988

Kampar
05-465 9448

Kemaman
09-858 1780

Kepong
03-6259 6220

Keratong
09-445 7433

Klang
03-3291 1768

Kluang
07-774 3362

Kok Lanas
09-788 3090

Kota Bharu
09-743 1800

Kota Kemuning
03-5525 5423

Kota Tinggi
07-882 1322

Kuala Besut
019-774 4499

Kuala Krai
09-966 3546

Kuala Lipis
010-911 0785

Kuala Selangor
03-3289 4727

Kuala Terengganu
09-620 3006

Kuantan
09-568 9033

Kulim
04-410 1481

Langkawi
04-961 0960

Machang
09-975 1160

Malim Jaya
06-334 0131

Maran
09-477 1573

Melaka
06-281 8033

Melawati
03-6187 3059

Melor
09-783 2110

Mentakab
09-290 2159

Merlimau
06-263 9359

Mersing
017-755 0917

Muadzam Shah
09-452 5888

Muar
06-953 9337

Nilai
06-797 1780

Paka
08-827 1313

Palong
07-948 2253

Parit Buntar
05-716 9429

Pasir Gudang
07-252 0025

Pasir Mas
09-719 2513

Pekan
09-422 2012

Penang
04-227 9358

Perlis
016-223 1775

Pontian
07-686 1430

Port Dickson
06-651 6532

Port Klang
03-3323 6063

Puchong
03-8060 0964

Pulau Ketam
019-349 1777

Rawang
03-6091 5662

Saujana Utama
012-312 2952

Segamat
07-932 8033

Senai
07-598 6578

Senawang
06-675 8878

Serdang
03-8945 3488

Seremban
06-767 0121

Seri Iskandar
05-371 1367

Setiu
013-955 6122

Sg. Petani
04-421 5580

Shah Alam
03-5548 7413

Sitiawan
05-691 0372

Skudai
07-511 1288

Subang Jaya
03-5631 0688

Sungai Besar
03-3224 1278

Sungai Besi
03-9221 0193

Sungai Koyan
012-961 6056

Sungai Buloh
03-7734 0172

Taiping
05-829 3358

Tampin
06-441 0304

Tangkak
012-783 4330

Tanjung Malim
05-459 9210

Teluk Intan
05-623 4635

Triang
010-917 1373

Tun Hussein Onn
03-8964 4547

Ulu Tiram
07-863 2533

Wangsa Maju
03-4142 0192

Yong Peng/Paloh
012-701 2719

EAST MALAYSIA

Beaufort
019-851 1775

Keningau
087-330 589

Kota Belud
088-977 126

Kota Kinabalu
088-259 953

Kota Marudu
016-829 3868

Kudat
088-611 490

Kunak
089-851 197

Lahad Datu
089-885 770

Ranau
019-802 2788

Sandakan
089-222 475

Tawau
089-769 348

SARAWAK

Batu Niah
011-1851 6666

Bau
014-695 8777

Bekenu
016-873 2399

Belawai
019-891 4319

Betong
083-472 337

Bintangor
084-693 497

Bintulu
086-318 871

Dalat
019-821 9772

Daro
084-823 331

Kanowit
084-752 899

Kapit
013-560 9977

Kuching
082-620 220

Kuching (Lodge-in)
082-232 306

Lawas
085-285 369

Limbang
010-977 7005

Lundu
012-847 9573

Marudi
010-538 2226

Miri
085-434 148

Mukah
084-872 808

Saratok
083-436 450

Sarikei
019-886 8480

Serian
016-888 2828

Sibu
084-335 075

Song
011-1984 7281

Sri Aman
083-324 752

Tatau
011-1525 9963

LABUAN

Labuan
087-425 880

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65-6396 5539


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