

This Circular is important and requires your immediate attention.

If you are in any doubt as to what action you should take, please consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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GD EXPRESS CARRIER BERHAD

(Company No. 630579-A)
(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (I) PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE; AND**

- (II) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

AND

EXTRACT OF THE NOTICE OF THE FOURTH ANNUAL GENERAL MEETING

The Notice of the Fourth Annual General Meeting ("AGM") of GD Express Carrier Berhad together with a Form of Proxy are enclosed in the 2007 Annual Report. The Fourth AGM has been scheduled to be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 10 December 2007 at 2.00 p.m..

If you are unable to attend and vote at the meeting, you may complete the Form of Proxy and deposit it at the registered office of the Company at 10th Floor, Wisma Havela Thakardas, No.1, Jalan Tiong Nam, Off Jalan Raja Laut, 50350 Kuala Lumpur, on or before the date and time indicated below. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : Saturday, 8 December 2007 at 2.00 p.m.

Date and time of the Annual General Meeting : Monday, 10 December 2007 at 2.00 p.m.

This Circular is dated 16 November 2007

DEFINITIONS

Unless otherwise stated, the following definitions shall have the following meanings:

“Act”	:	The Companies Act, 1965
“AGM”	:	Annual General Meeting
“Board”	:	The Board of Directors of GDEX
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W)
“Circular”	:	This circular to the shareholders of GDEX dated 16 November 2007
“Director”	:	Either an executive director or a non-executive director within the meaning of Section 4 of the Act.
“GD (BVI)”	:	GD Holdings International Limited (565941), incorporated in British Virgin Island (a wholly-owned subsidiary company of GDH)
“GDEX” or “the Company”	:	GD Express Carrier Berhad (630579-A)
“GDEX Group” or “the Group”	:	GDEX and its subsidiary companies, collectively
“GDH”	:	GD Express Holding (M) Sdn Bhd (246161-H)
“GDSB”	:	GD Express Sdn Bhd (347624-X), a wholly-owned subsidiary company of GDEX
“GDTech”	:	GD Technosystem Sdn Bhd (517030-X), a wholly-owned subsidiary company of GDEX
“GDV”	:	GD Venture (M) Sdn Bhd (516974-H), a wholly-owned subsidiary of GDSB
“GDY”	:	GDY Private Limited (200102178E), incorporated in Singapore, where Mr Teong Teak Lean and Mr Leong Chee Tong are the common directors and substantial shareholder.
“Listing Requirements” or “MMLR”	:	The Listing Requirements of Bursa Securities for the MESDAQ Market
“Major Shareholder(s)”	:	A person who has an interest or interests in one (1) or more voting shares in GDEX and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:- <ul style="list-style-type: none">(a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in GDEX; or(b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in GDEX where such person is the largest shareholder of GDEX.

This includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of GDEX as defined above or any other company which is a subsidiary of GDEX or GDEX’s holding company. For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act

DEFINITIONS (*Cont'd*)

“OSK”	:	OSK Investment Bank Berhad (<i>formerly known as OSK Securities Berhad</i>) (14152-V)
“Proposals”	:	The Proposed Renewal of Shareholders’ Mandate and Proposed Amendments, collectively
“Proposed Amendments”	:	Proposed amendments to the Memorandum and Articles of Association of GDEX
“Proposed Mandate Period”	:	<p>The period during which the Recurrent Related Party Transactions are to be entered into for which the Proposed Renewal of Shareholders’ Mandate is being sought. This period shall commence immediately upon the passing of the resolution in respect of the Proposed Renewal of Shareholders’ Mandate during the forthcoming AGM until:-</p> <ul style="list-style-type: none">(a) the conclusion of the first AGM of the listed company following the general meeting at which such Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or(c) revoked or varied by resolution passed by the shareholders in general meeting, <p>whichever is the earlier</p>
“Proposed Renewal of Shareholders’ Mandate”	:	Proposed renewal of shareholders’ mandate for the GDEX Group to enter into Recurrent Related Party Transactions of a revenue or trading nature
“Recurrent Related Party Transaction(s)”	:	Recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of GDEX and/or its subsidiaries, and which are expected to occur at least once in three (3) years and is within the ordinary course of business of GDEX and/or its subsidiaries
“Related Party(ies)”	:	Director, Major Shareholder or person connected with such Director or Major Shareholder
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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GD EXPRESS CARRIER BERHAD

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

10th Floor, Wisma Havela Thakardas
No.1, Jalan Tiong Nam
Off Jalan Raja Laut
50350 Kuala Lumpur

16 November 2007

Directors:

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid (*Independent Non-Executive Chairman*)
Teong Teck Lean (*Executive Deputy Chairman and Chief Executive Officer*)
Leong Chee Tong (*Executive Director and Deputy Chief Executive Officer*)
Lau Wing Tat (*Non Independent Non-Executive Director*)
Kong Hwai Ming (*Independent Non-Executive Director*)
Nolee Ashilin binti Mohammed Radzi (*Independent Non-Executive Director*)
Liew Heng Heng (*Independent Non-Executive Director*)

To: The Shareholders of GD Express Carrier Berhad

Dear Sir/Madam,

- (I) PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE; AND**
 - (II) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**
-

1. INTRODUCTION

At the AGM held on 11 December 2006, the shareholders of GDEX had approved the renewal of shareholders' mandate in relation to the Recurrent Related Party Transactions of GDEX Group. The aforesaid authorisation for the shareholders' mandate shall, in accordance with the MMLR, lapse at the conclusion of the forthcoming AGM of the Company unless renewal of the shareholders' mandate is obtained at the said AGM.

On 24 October 2007, the Board announced that the Company proposed to seek shareholders' approval for the following:-

- (i) Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a revenue or trading nature; and
- (ii) Proposed Amendments to the Articles of Association of GDEX

The purpose of this Circular is to provide you with the details and information on the Proposals, together with the Directors' recommendation, and to seek your approval for the ordinary resolution and special resolution to be tabled at the forthcoming AGM to be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 10 December 2007 at 2.00 p.m.. The extract of Notice of AGM is enclosed in this Circular.

SHAREHOLDERS OF GDEX ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION AND SPECIAL RESOLUTION AT THE FORTHCOMING AGM TO GIVE EFFECT TO THE PROPOSALS.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Renewal of Shareholders' Mandate

2.1.1 Listing Requirements

Under Rule 10.09 and Guidance Note 8/2006 of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of the Recurrent Related Party Transactions of a revenue or trading nature that are necessary for its day-to-day operations subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder' mandate during the financial year where:-
 - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1 million; or
 - (ii) any one of the percentage ratios of such aggregated transactions is equal or exceeds 1%;whichever is lower;
- (c) the issuance of circular to shareholders including information set out in the MMLR; and
- (d) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested person connected with a Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

Paragraph 4.1.4 of Guidance Note No. 8/2006 further states that the Proposed Renewal of Shareholders' Mandate, if approved by the shareholders of the Company at the forthcoming AGM, shall be subject to annual renewal and shall continue to be in force only until:-

- (a) the conclusion of the first AGM of the listed company following the general meeting at which such Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

Thereafter, the approval of shareholders will be sought for the renewal of the shareholders' mandate at each subsequent AGM of GDEX.

2.1.2 Principal Activities of the GDEX Group

GDEX is principally an investment holding company. It holds equity interest in its subsidiaries that engaged in inter-alia, provision of express delivery services and transportation services.

The following are the core activities of GDEX's principal subsidiary companies:-

Subsidiaries	Effective Equity Interest held (%)	Principal Activities
GDSB	100	Provision of express delivery services
GDV	100	Provision of transportation services solely to GDSB
GDTech	100	Licencing of software maintenance to GDSB

The Group, in its ordinary course of business, enters into Recurrent Related Party Transactions with certain Related Parties of GDEX, which are necessary for the day-to-day operations. Such Recurrent Related Party Transactions will be carried out on an arm's length basis and on normal commercial terms which are no more favourable to the Related Parties than those generally available to the public, and which will not be detrimental to the minority shareholders of the Company.

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2.1.3 Classes of Related Parties

The Proposed Renewal of the Shareholders' Mandate involves the following classes of Related Parties:

	Related Transacting Parties	Country of Incorporation	Principal Activities	Interested Directors and Substantial Shareholders	Shareholdings of Interested Directors and Substantial Shareholders in Related Parties		GDEX Relationship with Related Parties
					Direct %	Indirect %	
(i)	GDX	Singapore	Provision of software maintenance services and training	Teong Teck Lean Leong Chee Tong	85 12	- -	Common director and substantial shareholder Common director

Save as disclosed above, there were no other persons deemed connected to the interested Directors and Major Shareholders as defined under Section 122A of the Act.

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2.1.4 Nature of Recurrent Related Party Transactions and Estimated Values

The information on the Recurrent Related Party Transactions and their estimated values for which approval is being sought at the forthcoming AGM pursuant to the Proposed Renewal of Shareholders' Mandate are set out in the table below:-

	Related Transacting Parties	Nature of Transactions	Estimated Value During the Proposed Mandate Period* RM'000
(i)	GDX	Provision of software update and maintenance necessary to the operations of the Group	294
(ii)	GDX	Provision of software training	585

Note:-

* *The amount represents the estimated value of transactions that will be undertaken during the period from the date of the forthcoming fourth AGM until the date of the next AGM. These estimated have been arrived at by our Group after taking into account both historical data and best estimates for these transactions for the Proposed Mandate Period. As such, the above estimates may vary from the actual amounts and are subject to changes.*

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2.1.5 Review Methods or Procedures for Recurrent Related Party Transactions

The following review procedures have been formalised to ensure that Recurrent Related Party Transactions contemplated under the Proposed Renewal of Shareholders' Mandate are undertaken on terms no more favourable to the Related Party than those generally available to the public, and are not to the detriment of the minority shareholders of GDEX:-

(a) Identification

- (i) A list of the Related Parties will be circulated within GDEX Group to notify that all Recurrent Related Party Transactions are required to be undertaken on an arm's length basis, under normal commercial terms consistent with the Group's business practices and policies, on terms not more favourable to the Related Party than those generally available to the public and not to the detriment of the minority shareholders of GDEX.
- (ii) All companies within GDEX Group are required to inform the Company's headquarters before entering into any Recurrent Related Party Transactions other than those entered into pursuant to the shareholders' mandate. In addition, all heads of department are advised to report on all transactions involving related parties which are to be tabled to the Audit Committee for review on a quarterly basis.

(b) Authorisation

- (i) The pricing methods and procedures of the transactions are to be determined by market forces, under similar commercial terms for transactions with third parties that depend on the demand and supply, quality and the availability of the products.
- (ii) All types of Recurrent Related Party Transactions are carried out at arm's length and on the Group's normal commercial terms which are no more favourable to the related parties than those generally available to the public, and are not to the detriment of the minority shareholders of GDEX.
- (iii) The Related Parties and Directors who are deemed interested have been advised of their responsibilities, obligations under the MMLR, and the Group's policy and procedures for Recurrent Related Party Transactions.
- (iv) If a member of the Board or Audit Committee has an interest, direct or indirect, in any Recurrent Related Party Transaction, he/she shall abstain from any decision-making by the Board or Audit Committee in respect of the said transaction.

(c) Monitoring and Reporting

- (i) A register shall be maintained by the respective companies within the GDEX Group to record all Recurrent Related Party Transactions, including Related Party Transactions which are entered into pursuant to the shareholders' mandate. All Recurrent Related Party Transactions shall be reported to the Audit Committee on a quarterly basis together with the quarterly financial reports.

- (ii) The annual internal audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the shareholders' mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to. Any divergence will be reported to the Audit Committee.
- (iii) The Audit Committee shall review the annual and periodic internal audit reports to ascertain that the guidelines and procedures established to monitor all Recurrent Related Party Transactions have been complied with.
- (iv) The Audit Committee has reviewed and shall continue to review the adequacy and appropriateness of the procedures as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate.
- (v) If during the annual or periodic review as mentioned in section c (iii) and (iv) above, the Audit Committee is of the opinion that the guidelines and procedures are not sufficient to ensure that all Recurrent Related Party Transactions are undertaken:
 - on arm's length basis;
 - under normal commercial terms consistent with the Group's business practices and policies;
 - on terms no more favourable to the related parties than those generally available to the public; and
 - not to the detriment of the minority shareholders of the Company;

the Company will procure a fresh mandate from the non-interested shareholders of the Company based on a new or additional set of review procedures and guidelines.

2.1.6 Audit Committee's Statement

The Audit Committee of the Company has seen and reviewed the procedures set out in Section 2.1.5 above and are satisfied that the said procedures are sufficient to ensure that the Recurrent Related Party Transactions will be undertaken:

- on arm's length basis;
- under normal commercial terms consistent with the Group's business practices and policies;
- on terms no more favourable to the related parties than those generally available to the public; and
- not to the detriment of the minority shareholders of the Company.

2.2 Proposed Amendments

The details of the Proposed Amendments are set out in Appendix I of this Circular.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Renewal of Shareholders' Mandate

The Recurrent Related Party Transactions to be entered into by GDEX Group with the Related Parties are all in the ordinary course of business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and could arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case-to-case basis before entering into such Recurrent Related Party Transactions. Therefore, the Board is seeking the shareholders' mandate pursuant to Rule 10.09 of the MMLR to allow the Group to enter into such Recurrent Related Party Transactions as described in Section 2.1.4 above.

Consequently, this will eliminate the need to make regular announcements to Bursa Securities and to convene separate general meetings from time to time to seek shareholders' approval as and when the need arises. Also, it would substantially reduce administrative time, inconvenience and expenses associated with the making of announcements and convening of such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to GDEX Group.

The benefits of transacting with the following Related Parties are as follows:

(i) GDTech

Provision of software update and maintenance necessary for the operations of the Group

- a) The Related Party with whom the Group transacts is the developer of the operating software used by the Group's business. Therefore, more efficient, prompt and better services can be obtained as the Related Party has in-depth understanding of the Groups' operating system and business procedure within which the Group operates;
- b) The Related Party only serves the Group in the express courier industry, hence, the risk of divulging confidential and market sensitive information to other competitors would be minimised;
- c) The prices of the RRPT are competitive and the terms are not more favourable to the Related Party than those generally available to the public;
- d) The close working relationship and co-operation between the Group and the Related Party would result in better communication and understanding of the Group's business needs which would in turn improve the Group's service standard, enabling the Group to better fulfil its customers' requirement.

(ii) GDSB

Provision of software training

This service is auxiliary to the software update and maintenance services carried out by the Related Party to the Group under Section 3.1(i) above.

3.2 Proposed Amendments

The Proposed Amendments are intended to update the Articles of Association of the Company, where relevant, to streamline with the recent revamped MMLR and to render consistency throughout.

4. FINANCIAL EFFECTS OF THE PROPOSALS

4.1 Proposed Renewal of Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate will not have any effect on the share capital, earnings, NTA, shareholdings of the substantial shareholders and dividend policy of GDEX Group.

4.2 Proposed Amendments

The Proposed Amendments will not have any effect on the issued and paid-up share capital, net assets, earnings and Major Shareholders' shareholdings of the Group.

5. CONDITIONS OF THE PROPOSALS

The Proposals are subject to the approval of GDEX's shareholders at the forthcoming AGM of the Company.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

6.1 Proposed Renewal of Shareholders' Mandate

The direct and indirect interests of all interested Directors and Major Shareholders of GDEX in respect of the Proposed Renewal of Shareholders' Mandate as at 26 October 2007, based on the Register of Directors' Shareholdings and Register of Major Shareholders' Shareholdings of GDEX are as follows:-

	Shareholdings in GDEX as at 26 October 2007			
	< -----Direct----- >		< -----Indirect----- >	
	No. of Shares	%	No. of Shares	%
Interested Directors				
Teong Teck Lean	37,500	0.02	137,551,496 ⁽¹⁾	53.48
Leong Chee Tong	11,288,743	4.39	-	-
Major shareholders				
GDH	83,801,496	32.58	-	-
GD(BVI)	53,750,000	20.90	-	-

Note:-

(1) Deemed interested by virtue of his interest in GDH and GD(BVI) in GDEX, pursuant to Section 6A of the Act.

The interested Directors, namely Teong Teck Lean and Leong Chee Tong has abstained and will continue to abstain from Board deliberations and voting at Board meeting pertaining to the Proposed Renewal of Shareholders' Mandate. Accordingly, the interested Major Shareholders namely GDH and GD(BVI) and interested Directors, namely Teong Teck Lean and Leong Chee Tong have abstained and will continue to abstain from voting in respect of their direct and indirect shareholdings and shall further procure their associates or persons connected to them to abstain from voting on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

The aforementioned interested Directors and/or Major Shareholders of the Company have also undertaken to ensure that the persons connected to them (if any) will abstain from voting in respect of their direct and indirect shareholdings on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

Save as disclosed above, none of the other Directors, Major Shareholders and/or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

6.2 Proposed Amendments

None of the Directors and/or Major Shareholders of GDEX and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Amendments.

7. DIRECTORS' RECOMMENDATION

7.1 Proposed Renewal of Shareholders' Mandate

The Board (save for Teong Teck Lean and Leong Chee Tong), after having considered all aspects of the Proposed Renewal of Shareholders' Mandate, are of the opinion that the Proposed Renewal of Shareholders' Mandate is fair, reasonable and in the best interest of the Company.

Accordingly, the Board (save for Teong Teck Lean and Leong Chee Tong) recommends that you vote in favour of the resolution in relation to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

7.2 Proposed Amendments

The Board, having considered all aspects of the Proposed Amendments, is of the opinion that the Proposed Amendments are in the best interest of the Company.

Accordingly, the Board also recommends that you vote in favour of the special resolution in relation to the Proposed Amendments to be tabled at the forthcoming AGM.

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8. ANNUAL GENERAL MEETING

The AGM, the notice of which is enclosed in the Annual Report of GDEX for financial year ended 30 June 2007 accompanying this Circular, will be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 10 December 2007 at 2.00 p.m. for the purpose of considering and, if thought fit, passing, inter-alia, the ordinary and special resolutions set out in the Notice of AGM.

If you are unable to attend or vote in person at the AGM, you will find attached to the Annual Report of GDEX for the financial year ended 30 June 2007, a Form of Proxy, which you are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the Company's registered office at 10th Floor, Wisma Havela Thakardas, No.1, Jalan Tiong Nam, Off Jalan Raja Laut, 50350 Kuala Lumpur not less than forty-eight (48) hours before the date and time set for the AGM or any adjournment thereof. The lodging of the Form of Proxy will not, however, preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to the Appendix II of this Circular for further information.

Yours faithfully,
For and on behalf of
GD EXPRESS CARRIER BERHAD

DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID
Chairman

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PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

(a) The Articles of Association of the Company are proposed to be amended in the following manner:-

The existing Articles of Association which are affected are reproduced here with the proposed amendments and/or additions alongside it (amendment highlighted) as follows:

Article no.	Existing Articles of Association		Proposed Articles	
	INTERPRETATION			
	Words	Meanings	Words	Meanings
2	Approved Market Place	A stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No. 2) Order 1998.	Approved Market Place	A stock exchange which is specified to be an approved market place pursuant to an exemption order made under Section 62A of the Depositories Act or any statutory modification, amendment or re-enactment thereof for the time being in force as may be amended, modified or altered from time to time.
	Authorised Nominee	A person who is authorise to act as nominee as specified under the Central Depositories Act and the Rules.	Authorised Nominee	A person who is authorise to act as nominee as specified under the Depositories Act and the Rules
	Central Depositories Act	The Securities Industry (Central Depositories) Act 1991 and every Act statutory modification or re-enactment thereof for the time being in force.	Depositories Act	The Securities Industry (Central Depositories) Act 1991 and any statutory modification, amendment or re-enactment thereof and any and every other legislation for the time being in force made thereunder.
	Central Depository	Malaysian Central Depository Sdn. Bhd. (Company No. 165570-W).	Depository	Bursa Malaysia Depository Sdn. Bhd. (Company No. 165570-W).

Article no.	Existing Articles of Association		Proposed Articles	
	INTERPRETATION			
	Words	Meanings	Words	Meanings
2 (Cont'd)	Deposited Security	A security as defined in Section 2 of the Central Depositories Act standing to the credit of a securities account and includes securities in a securities account that is in suspense.	Deposited Security	Shall have the same meaning given in Section 2 of the Depositories Act.
	Depositor	A holder of a Securities established by the Central Depository.	Depositor	Shall have the same meaning given in Section 2 of the Depositories Act.
	Exchange	The Kuala Lumpur Stock Exchange and shall include any other stock exchanges upon which the Company's share for the time being be listed.	Exchange	The Bursa Malaysia Securities Berhad and shall include any other stock exchanges upon which the Company's share for the time being be listed.
	Market Days	Any day between Mondays and Fridays which is not a market holiday or a public holiday	Market Days	A day on which the stock market of Bursa Securities is open for trading in securities.
	MESDAQ Market	The MESDAQ Market of the KLSE	MESDAQ Market	The MESDAQ Market of Bursa Malaysia Securities Berhad.
	Prescribed Security	Has the same meaning assigned thereto in the Central Depositories Act.	Prescribed Security	Has the same meaning assigned thereto in the Depositories Act.
	Rules	Rules of the Central Depository including any amendment that may be made from time to time.	Rules	Shall have the same meaning given in Section 2 of the Depositories Act.
	Securities	Debenture, note, stock and share in the Company and includes any right or option in respect thereof, any interest as defined in Section 84 of the Act and any interest in a unit trust.	Securities	Shall have the same meaning given in Section 2 of the Capital Markets and Services Act 2007.
	Securities Account	Has the same meaning assigned thereto in the Central Depositories Act.	Securities Account	Has the same meaning assigned thereto in the Depositories Act.

Article no.	Existing Articles of Association	Proposed Articles
	AND THAT all references to the abovementioned interpretations throughout the whole Articles of Association be changed accordingly.	
	NOTICE OF MEETING	
59 (1)	Subject to the provisions of the Act relating to special resolutions and agreement for shorter notice, fourteen (14) days notice at the least, or twenty-one (21) days notice at the least where any special resolution is to be proposed or where it is an Annual General Meeting (exclusive of the day on which the notice or deemed to be served, and the day for which notice is given) specifying the place, the day and the hour of meeting and in case of special business, the general nature of that business accompanied by a statement regarding the effect of any proposed resolution in respect of any such special business shall be given to such persons are entitled to receive these notices from the Company, as provided for in these Articles and the provisions of the Central Depositories Act and the Rules, and by advertisement in the daily press and in writing to the Exchange and to each stock exchange, if any, upon which the Company is listed.	The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least 14 days' notice or 21 days, notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the company is listed.
	RECORD OF DEPOSITORS	
60 (1)	The Company shall also request the Central Depository in accordance with the Rules, to issue the Record of Depositors to whom notices of General Meeting shall be given by the Company, as at a date not less than three (3) market days before and not including the date of the General Meeting (hereinafter referred to as "the General Meeting Record of Depositors").	The Company shall also request the Depository in accordance with the Rules, to issue a Record of Depositors, to whom notices of General Meeting shall be given by the Company, as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the General Meeting (hereinafter referred to as "the General Meeting Record of Depositors").
	APPOINTMENT OF AT LEAST 1 PROXY	
83 (3)	No Provision	Where a member of the company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said securities account.

Article no.	Existing Articles of Association	Proposed Articles
NUMBER OF DIRECTORS		
88	All Directors of the company shall be natural persons.	Deleted
OFFICE OF DIRECTORS HOW VACATED		
103 (b)	Becomes bankrupt or makes any arrangement or composition with his creditors generally;	Becomes bankrupt during his term of office or makes any arrangement or composition with his creditors generally;
103 (d)	Becomes of unsound mind or a person whose person or estate is liable to be dealt with any way under the law relating to the mental disorder;	Becomes of unsound mind during his term of office or a person whose person or estate is liable to be dealt with any way under the law relating to the mental disorder;
103 (g)	Is absent from more than fifty percent (50%) of the total meetings of the Directors held during a financial year unless an exemption or waiver is obtained from the Exchange;	Shall be required to resign his office by notice in writing lodged at the office signed by the holder or holders of not less than three-fourths in nominal value of the issued shares of the company.
SERVICE OF AUDITED FINANCIAL STATEMENTS TO MEMBERS		
146	A copy of every audited financial statements which is to be laid before a General Meeting of the company (including every document required by law to be annexed thereto) together with a copy report of the Auditors relating thereto and of the Directors' report shall not less than twenty one (21) days before the date of the meeting (or such short period as may be agreed in any year for receipt of notice of the meeting pursuant to the first provision to Article 61 of these Articles) be sent to every Member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices from the company under the provisions of the Act or of these Articles, provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware of, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the office. The requisite number of copies of each such documents as required by the Exchange from time to time shall be forwarded to the Exchange upon which the Company is listed.	Re-numbered to Article 146 (a)

Article no.	Existing Articles of Association	Proposed Articles
AUTHORITY TO ISSUE ANNUAL REPORT IN CD-ROM OR DVD-ROM FORMAT		
146 (b)	No provision	Subject to the compliance with the requirements of Bursa Securities and any other relevant authorities, if any, the Company may issue its annual report in compact disc read-only memory ("CD-ROM") or digital video disc read-only memory ("DVD-ROM") format or in any other format whatsoever (whether available now or in the future) through which images, data, information or other material may be viewed whether electronically or digitally or howsoever.
EFFECT OF THE LISTING REQUIREMENTS		
164	No provision	<p>(a) Notwithstanding anything contained in these articles, if the Listing Requirements prohibit an act being done, the act shall not be done.</p> <p>(b) Nothing contained in these articles prevents an act being done that the Listing Requirements require to be done.</p> <p>(c) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).</p> <p>(d) If the Listing Requirements require these articles to contain a provision and they do not contain such a provision, these articles are deemed to contain that provision.</p> <p>(e) If the Listing Requirements require these articles not to contain a provision and they contain such a provision, these articles are deemed not to contain that provision.</p> <p>(f) If any provision of these articles is or becomes inconsistent with the Listing Requirements, these articles are deemed not to contain that provision to the extent of the inconsistency.</p>

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board who collectively and individually, accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there is no material fact, the omission of which would make any statement herein misleading.

2. CONSENT

OSK has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

3. MATERIAL LITIGATION

The Directors of GDEX confirm that GDEX and its subsidiaries are not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and the Directors of GDEX do not have any knowledge of proceedings pending or threatened against GDEX and/or its subsidiaries, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the financial position or business of GDEX and/or its subsidiaries as at 26 October 2007, being the latest practicable date prior to the printing of this Circular.

(i) Panglima Ribuan Sdn Bhd (the Plaintiff) vs GD Express Sdn Bhd (the Defendant)

On 10 May 2004, Panglima Ribuan Sdn Bhd ("PRSB"), a former business partner of GD Express Sdn Bhd ("GDSB") commenced legal proceedings against GDSB for alleged failure by GDSB to erect a signboard. PRSB is also claiming for loss of business due to GDSB's alleged encroachment in the area of service exclusively given by GDSB to PRSB and the refund of the franchise fee paid to GDSB. The total amount claimed by PRSB is RM966,000. This case is now fixed for hearing on 22 February 2008.

(ii) T & T Travel & Cargo Sdn Bhd (the Plaintiff) vs GD Express Sdn Bhd (the Defendant)

On 14 September 2005, T & T Travel & Cargo Sdn Bhd ("T & T"), a former business agent of GDSB commenced legal proceedings against GDSB for disputes on the amount owing for services rendered in the course of courier business. Based on GDSB's record, T & T has double claimed for certain transactions and also reluctant to compensate for shipments lost in their possession. The total amount claimed by T & T is RM181,000. However, GDSB had made a payment into Court for RM98,000 which has been paid out to the plaintiff. Currently, there is an outstanding balance of RM83,000 claimed by them to be determined at the trial on 14 December 2007 at Session Court III in Kuching.

4. MATERIAL CONTRACTS

Sale and Purchase Agreement dated 29 August 2006 between Lembaga Tabung Haji as Vendor and GDEX as Purchaser for the sale and purchase of the property described as all that piece and parcel of leasehold industrial property identified as PN 10315, Lot 79, Seksyen 20, Bandar of Petaling Jaya, Daerah of Petaling, State of Selangor Darul Ehsan bearing postal address of No. 19, Jalan Tandang, 46050 Petaling Jaya ('the Property') for the purchase price of RM5,500,000 and subject to the terms and conditions as set out in this Agreement. This acquisition is financed by internal generated funds.

Save as disclosed above, the Directors of GDEX confirm that there is no material contract, not being contracts entered into in the ordinary course of business, which has been entered into by GDEX or its subsidiaries, within the past two (2) years preceding 26 October 2007, being the latest practicable date prior to the printing of this Circular.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection between 9.00 a.m. and 5.00 p.m. from Monday to Friday (except on public holidays) at the Registered Office of the Company at 10th Floor, Wisma Havela Thakardas, No. 1, Jalan Tiong Nam, Off Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia:-

- (i) the Memorandum and Articles of Association of GDEX;
- (ii) Audited consolidated financial statements of the GDEX Group for the past two (2) financial year ended 30 June 2006 and 30 June 2007 and the latest unaudited consolidated results for the first quarter ended 30 September 2007;
- (iii) Letter of consent from OSK referred to in Section 2 above;
- (iv) Relevant cause papers in respect of the material litigation referred to in Section 3 above; and
- (v) the material contract referred to in Section 4 above.

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EXTRACT OF THE NOTICE OF THE FOURTH ANNUAL GENERAL MEETING

ORDINARY RESOLUTION

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

"THAT the Company and its subsidiaries be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature as specified in Section 2.1.4 of the Circular to Shareholders dated 16 November 2007, provided that such arrangements and/or transactions which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders of the Company.

AND THAT such authority shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Shareholders' Mandate."

SPECIAL RESOLUTION

Proposed Amendments To The Articles Of Association Of The Company

"THAT the alterations, modifications, deletions and/or additions to the Articles of Association of the Company as set out in Appendix I of the Circular to Shareholders dated 16 November 2007 be and are hereby approved and adopted.

AND THAT the Directors of the Company be and are hereby authorized to assent to any condition, modification, variation and/or amendment as may be required by Bursa Malaysia Securities Berhad;

AND THAT the Directors and Secretaries of the Company be and are hereby authorized to carry out all the necessary formalities in effecting the amendments as set out in Appendix I of the Circular to Shareholders."