

**This Circular is important and requires your immediate attention.**

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

**This Circular has been reviewed and approved by OSK Investment Bank Berhad, being the Sponsor of GD Express Carrier Berhad. Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused this Circular prior to its issuance. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.**



**GD EXPRESS CARRIER BERHAD**

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

## **CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT  
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**AND**

**EXTRACT OF THE NOTICE OF THE SIXTH ANNUAL GENERAL MEETING**

The Notice of the Sixth Annual General Meeting (“AGM”) of GD Express Carrier Berhad together with a Form of Proxy are enclosed in the 2009 Annual Report. The Sixth AGM has been scheduled to be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on 10 December 2009, Thursday at 10.00 a.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 Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 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 : Tuesday, 8 December 2009 at 10.00 a.m.

Date and time of the AGM : Thursday, 10 December 2009 at 10.00 a.m.

This Circular is dated 18 November 2009

## DEFINITIONS

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

“Act”	:	Companies Act, 1965
“AGM”	:	Annual General Meeting
“Board”	:	Board of Directors of GDEX
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W)
“Circular”	:	This circular to the shareholders of GDEX dated 18 November 2009
“CMSA”	:	Capital Markets and Services Act, 2007
“Director(s)”	:	Either an executive director or a non-executive director within the meaning of Section 4 of the Act and for the purposes of the Proposed Renewal of Shareholders’ Mandate, a director shall have the same meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months from the date on which the terms of the transactions were agreed upon:  (a) a Director of GDEX or any other company which is subsidiary or holding company; or  (b) a chief executive officer of GDEX, its subsidiary or holding company
“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”	:	GDEX and its subsidiaries
“GDH”	:	GD Express Holdings (M) Sdn Bhd (246161-H)
“GDSB”	:	GD Express Sdn Bhd (347624-X), a wholly-owned subsidiary of GDEX
“GDTech”	:	GD Technosystem Sdn Bhd (517030-X), a wholly-owned subsidiary of GDEX
“GDV”	:	GD Venture (M) Sdn Bhd (516974-H), a wholly-owned subsidiary of GDSB
“GDX”	:	GDX Private Limited (200102178E), incorporated in Singapore, where Teong Teak Lean and Leong Chee Tong are the common directors and substantial shareholders
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities
“LPD”	:	22 October 2009, being the latest practicable date prior to the printing of this Circular

## DEFINITIONS (Cont'd)

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- “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:
- (a) ten percent (10%) or more of the aggregate of the nominal amounts of all the voting shares in GDEX; or
  - (b) five percent (5%) or more 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 or holding company of GDEX
- For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act
- “Proposed Mandate Period” : 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:
- (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 will 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
- “Proposed Renewal of Shareholders’ Mandate” : Proposed renewal of shareholders’ mandate for the GDEX Group to enter into Recurrent Related Party Transactions
- “Recurrent Related Party Transaction(s)” : Related party transaction(s) which is/are recurrent, of a revenue or trading nature and which is/are necessary for the day-to-day operations of the GDEX Group
- “Related Party(ies)” : Director(s), Major Shareholder(s) or person(s) connected with such Director(s) or Major Shareholder(s)
- “RM” and “sen” : Ringgit Malaysia and sen respectively
- “Share(s)” : Ordinary share(s) of RM0.10 each in GDEX

## **DEFINITIONS (Cont'd)**

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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:**

Level 18, The Gardens North Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur

18 November 2009

**Directors:**

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

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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**1. INTRODUCTION**

At the AGM held on 4 December 2008, the shareholders of the Company had approved the renewal of shareholders' mandate to allow the GDEX Group to enter into Recurrent Related Party Transactions as set out in the circular to shareholders dated 12 November 2008. The aforesaid authorisation for the shareholders' mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM of the Company unless renewal of the shareholders' mandate is obtained at the said AGM.

On 28 October 2009, the Board announced that the Company proposed to seek its shareholders' approval for the Proposed Renewal of Shareholders' Mandate.

The purpose of this Circular is to provide you with the details and information on the Proposed Renewal of Shareholders' Mandate, together with the Directors' recommendation, and to seek your approval for the ordinary 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 Thursday, 10 December 2009 at 10.00 a.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 AT THE FORTHCOMING AGM TO GIVE EFFECT TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE.**

## 2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

### 2.1 Proposed Renewal of Shareholders' Mandate

Under Rule 10.09(2) of the Listing Requirements, a listed corporation may seek a mandate from its shareholders in respect of Recurrent Related Party Transactions which are necessary for its day-to-day operations subject to, amongst others, 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 shareholders' mandate during the financial year where:
  - (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party transactions is RM1 million or more; or
  - (ii) the percentage ratios of such Recurrent Related Party transactions is one percent (1%) or more,

whichever is lower;

- (c) 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, 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; and
- (d) the listed corporation immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the listed corporation, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by ten percent (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement.

GDEX is principally an investment holding company whilst its subsidiaries are principally involved in the provision of express delivery services and transportation services.

In the ordinary course of its business, the Group has entered into certain Recurrent Related Party Transactions and it is anticipated that the companies within the GDEX Group would, in the ordinary course of business, continue to enter into such transactions with the Related Parties, details of which are set out in Section 2.5 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In this regard, the Board proposes to seek a renewal of general mandate from the shareholders of the Company to enter into arrangements or transactions with the Related Parties, which are necessary for the day-to-day operations of the GDEX Group and are based on normal commercial terms that are not more favourable to the Related Parties than those generally available to the public.

## 2.2 Validity period for the Proposed Renewal of Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders of the Company at the forthcoming AGM, will take effect from the date of the passing of the ordinary resolution proposed at the AGM and the authority conferred under the Proposed Renewal of Shareholders' Mandate shall only continue to be in force until:

- (a) the conclusion of the next AGM of the 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 will 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 the shareholders of the Company will be sought for the renewal of the shareholders' mandate at each subsequent AGM of the Company.

## 2.3 Principal activities of the GDEX Group

GDEX is principally an investment holding company. As at LPD, the principal activities of its subsidiaries are as follows:

<b>Subsidiaries</b>	<b>Effective equity interest held (%)</b>	<b>Principal activities</b>
GDSB	100	Provision of express delivery services
GDV	100	Provision of transportation services solely to GDSB
GDTech	100	Licensing of software maintenance to GDSB

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## 2.4 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 Major Shareholders	Shareholdings of interested Directors and Major Shareholders in Related Parties		GDEX's relationship with Related Parties
				Direct %	Indirect %	
GDX, a service provider to the GDEX Group	Singapore	Provision of software maintenance services and training	Teong Teck Lean	85	-	Common director and substantial shareholder
			Leong Chee Tong	12	-	Common director
			GDH	-	-	A company 100% controlled by Teong Teck Lean <sup>(1)</sup>
			GD(BVI)	-	-	A company 100% controlled by Teong Teck Lean <sup>(2)</sup>

Notes:

(1) Teong Teck Lean holds 97.1% of shares in GDH with the remaining 2.9% held by his spouse, Wang Heng Tsuey.

(2) Teong Teck Lean holds 80.0% of shares in GD(BVI) with the remaining 20.0% held by his spouse, Wang Heng Tsuey.

Save as disclosed above, there were no other persons deemed connected to the interested Directors and interested Major Shareholders as defined under Rule 1.01 of the Listing Requirements.

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## 2.5 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:

	Transacting parties		Nature of transactions	Estimated value per last mandate RM'000	Actual value transaction as at LPD RM'000	Explanation for variation between the actual value and the estimated value by ten percent (10%) or more (if any)	Estimated value during the Proposed Mandate Period* RM'000
	GDEX Group	Related Party					
(i)	GDTech	GDX	Provision of software update and maintenance necessary for the operations of GDTech	294	294	Not applicable	294
(ii)	GDSB	GDX	Provision of software training for GDSB	585	585	Not applicable	585

Note:

\* *The amount represents the estimated value of transactions that will be undertaken during the Proposed Mandate Period. These estimated values have been arrived at by our Group after taking into account the management's forecasts on transaction values which have been undertaken and anticipated for the Proposed Mandate Period. Nevertheless, the above estimates may vary from the actual amounts and are subject to changes.*

The terms, including pricing of the Recurrent Related Party Transactions as set out above are based on normal commercial terms practiced in the industry and are also on similar terms if the same were to be offered to third parties. At least two (2) other contemporaneous transactions with unrelated third parties for similar products, services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products, services and/or quantities.

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## 2.6 Threshold of authority

There is no specific threshold for approval of the Recurrent Related Party Transactions within the GDEX Group. However, all Recurrent Related Party Transactions are subject to the approval of the Board. Where any Director has any interest (direct or indirect) in any Recurrent Related Party Transaction, such Director shall abstain from deliberation and voting on the matter. If it is determined that the guidelines and/or procedures stipulated in Section 2.7 of this Circular, are inadequate and to ensure that:

- (a) Recurrent Related Party Transaction(s) will be conducted on an arms' length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (b) such transaction will not be detrimental to the minority shareholders of the Company or prejudicial to the interests of the shareholders,

the Company will obtain a fresh shareholders' mandate.

## 2.7 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 the Company:

### (a) Identification

- (i) A list of the Related Parties will be circulated within the 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 GDEX 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 the Company.
- (ii) All companies within the 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 GDEX 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 the Company.

(iii) The Related Parties and Directors who are deemed interested have been advised of their responsibilities, obligations under the Listing Requirements, and the GDEX 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 Sections 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 GDEX 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.

## **2.8 Disclosure in annual report**

Disclosure will be made in the Company's annual report pursuant to the Proposed Renewal of Shareholders' Mandate and in the annual reports for subsequent years that the Proposed Renewal of Shareholders' Mandate continues to be in force in accordance with applicable accounting standards and Rule 3.1.5 of Guidance Note 8 of the Listing Requirements, which requires a breakdown of aggregate value of the Recurrent Related Party Transactions made during the financial year, amongst others, based on the following information:

- (a) the type of Recurrent Related Party Transactions made; and
- (b) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company.

## **2.9 Audit Committee's statement**

The Audit Committee of the Company has seen and reviewed the procedures set out in Section 2.7 above and are satisfied that the Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner as well as to ensure that the Recurrent Related Party Transactions will be undertaken:

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

## **3. RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The Recurrent Related Party Transactions to be entered into by the 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 and Guidance Note 8 of the Listing Requirements to allow the GDEX Group to enter into such Recurrent Related Party Transactions as described in Section 2.5 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 the GDEX Group.

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

**(a) GDTech**

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

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

**(b) GDSB**

**Provision of software training**

This service is auxiliary to the software update and maintenance services carried out by the Related Party to the GDEX Group under Section 3(a) above.

**4. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The Proposed Renewal of Shareholders' Mandate will not have any material effect on the share capital, shareholdings of the substantial shareholders, earnings, net assets and working capital of the GDEX Group.

**5. APPROVAL REQUIRED**

The Proposed Renewal of Shareholders' Mandate is subject to the approval being obtained from the shareholders of the Company at the forthcoming AGM.

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## 6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSON(S) CONNECTED TO THEM

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

	Shareholdings in GDEX as at LPD			
	< -----Direct----- >		< -----Indirect----- >	
	No. of Shares	%	No. of Shares	%
<b>Interested Directors</b>				
Teong Teck Lean	37,500	0.02	137,551,496 <sup>(1)</sup>	53.48
Leong Chee Tong	11,288,743	4.39	-	0.00
<b>Interested Major Shareholders</b>				
GDH	83,801,496	32.58	-	0.00
GD(BVI)	53,750,000	20.90	-	0.00

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 of the Company, namely Teong Teck Lean and Leong Chee Tong have abstained and will continue to abstain from the Board's deliberations. They will also abstain from voting in respect of their direct and/or indirect shareholdings in GDEX, if any, on the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

In addition, the interested Major Shareholders of the Company, namely GDH and GD(BVI) will abstain from voting in respect of their direct and/or indirect shareholdings to the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

The aforementioned interested Directors and interested Major Shareholders of the Company have also undertaken to ensure that the persons connected to them (if any) will abstain from deliberating and/or voting in respect of their direct and/or indirect shareholdings on 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.

## 7. DIRECTORS' RECOMMENDATION

The Board (save for the interested Directors, namely Teong Teck Lean and Leong Chee Tong), after having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is 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 the interested Directors, namely 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.

## **8. AGM**

The AGM, the notice of which is enclosed in the Annual Report of the Company for financial year ended 30 June 2009 accompanying this Circular, will be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 10 December 2009 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, *inter alia*, the ordinary 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 the Company for the financial year ended 30 June 2009, 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 Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 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 enclosed appendix for further information.

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

**DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID**  
Independent Non-Executive Chairman



**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 are no other facts the omission of which would make any statement herein misleading.

**2. MATERIAL LITIGATION**

Save as disclosed below, the Directors of GDEX confirm that the GDEX Group is 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 the GDEX Group as at LPD.

**(a) Panglima Ribuan Sdn Bhd ("PRSB" or the "Plaintiff") vs GDSB (the "Defendant")**

On 10 May 2004, PRSB, a former business partner of 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.

On 30 October 2009, Shah Alam High Court has dismissed the Plaintiff's claim with costs. Hence, this matter has reached its finality and the Defendant's counter claim was allowed with interest and cost and, general damages was awarded at a fixed amount of RM10,000.

**(b) T & T Travel & Cargo Sdn Bhd ("T&T" or the "Plaintiff") vs GDSB (the "Defendant")**

On 14 September 2005, 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 shipment 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 judgement date fixed on 14 December 2009.

The Directors of GDEX, in consultation with GDEX's solicitors, are of the view that GDEX has a good defence against the abovementioned legal claim.

**3. MATERIAL CONTRACTS**

The Directors of GDEX confirm that there are no material contracts, 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 LPD.

#### 4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection between 9.00 a.m. to 5.00 p.m. from Monday to Friday (except on public holidays) at the registered office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia:

- (a) the Memorandum and Articles of Association of GDEX;
- (b) Audited consolidated financial statements of GDEX for the past two (2) financial years ended 30 June 2009; and
- (c) relevant cause papers in respect of the material litigation referred to in paragraph 2 above.

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## EXTRACT OF THE NOTICE OF THE SIXTH ANNUAL GENERAL MEETING

### ORDINARY RESOLUTION

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

"**THAT** approval be and is hereby given to the Company and its subsidiaries ("**GDEX Group**") to enter into and give effect to the specific 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 the shareholders of GDEX dated 18 November 2009, provided that:

- (a) such arrangements and/or transactions are necessary for the GDEX 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 the public;
- (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.

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

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a 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 (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."