



ONE TEAM ONE VISION



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CUSTOMER, SERVICE BEFORE PROFITS (CSP)

Our first priority is to strive harder to provide the best facilities and services to our customers.

Like the paddy farmer who has to plough the land, sow the seeds, nurture, water and fertilise the plant before he can reap the harvest, so does GD Express Carrier Berhad (GDEX).

Since its management revamp in 2000, GDEX has restructured, upgraded and refined its operations into one uniformed and seamless operating platform. This enables the Group to communicate at all levels and meet the distribution and delivery requirements of customers. GDEX has laid its foundation on looking after customers' requirements first - by providing a wide range of delivery services and ensuring that it has the necessary infrastructure, systems, processes, trained personnel and quality controls to handle its customers' logistical requirements – before the profit equation kicks in.

CHAIRMAN'S STATEMENT

Dear Shareholders,

Our wings have taken flight to greater heights this year and it gives me great pleasure to present my maiden statement to our fellow stake-owners for the financial year ended 30 June 2005.

Our Performance in 2005

During the period reviewed, the Malaysian economy experienced slower growth, affected by sharply higher crude oil prices and domestic fuel prices. The higher fuel prices have affected all sectors of the Malaysian economy. The transportation sector, in particular, is bearing the full blow of the fuel hike.

Against this background, I am happy to report that the Group continues to progress healthily. For the year reviewed, the Group achieved a pre-tax profit of RM3.4 million. After tax profit was RM2.2 million. This is equivalent to earnings per share of 3.15 sen per

ordinary share of 10 sen each. It must be stressed that the financial results consist of the post-acquisition results, which is after the completion of the purchase of subsidiaries on 8 February 2005.

For comparative purposes, if the financial results of the subsidiaries prior to the acquisition, being 8 February 2005, were to be taken into consideration, the Group would have reported a turnover of RM37.9 million, which would translate into a 28% growth of the same business over the previous year. On the same basis, the Group would have achieved a compounded growth of 42% over the past three years.

Similarly, the Group would have reported a pre-tax profit of RM5.3 million, an increase of 96% as compared to the proforma



pre-tax profit of RM2.7 million for the last financial year. The Group would have reported a profit after tax of RM3.5 million, an increase of 119% as compared to the proforma profit after tax of RM1.6 million for the last financial year. The strong performance put up by the Group was attributed to the expansion of our business in Customised Logistics Solutions (CLS), while our main express delivery business continued to gain market share.

Strategic Transformation

The Group became more aware of the trend towards outsourcing of transportation and logistics function

in recent years. We have since embarked on restructuring our processes to meet this rising demand. Our CLS division is precisely geared towards providing an answer to companies which decide to outsource. CLS accounts for a sizeable portion of the Group's revenue for the year ended 30 June 2005. The Group is expected to focus on this sector in the coming years.

The recent IPO has raised RM10.5 million in cash. The fund raised will be used as follows:

- RM4.8 million to finance the upgrading of network and infrastructure facilities
- RM4.7 million for working capital
- RM1 million for listing expenses

Dividend Policy, Bonus Issue & Private Placement

Our Board is of the view that we are in a high growth phase of a dynamic industry. We need all available financial resources to capitalise on this high growth phase. Hence the Group is likely to defer dividend payments to the future. Nevertheless, the Board of Directors is pleased to propose a one-for-four bonus issue to shareholders, as well as a private placement of up to 10% of the issued and paid-up share capital to selected individuals and institutions. This private placement is expected to raise up to RM20 million to finance further expansion plans of the Group formulated after the IPO. These include regional expansion and acquisition of a transshipment hub and operational headquarters.

Code of Corporate Governance

It has been the Group's policy to pursue good corporate governance ever since its inception. This is more important as it becomes a listed entity. The Board of Directors and the management are working towards full compliance with the Malaysian Code of Corporate Governance. To-date, we have put in place the following:

- Internal audit function
- Risk management framework
- Audit Committee headed by independent directors

The Future

In today's globalised business environment, activities leading to the completion of one product or service may take place in different parts of the world. The combination of speed and reliability is the key to success. Logistics service providers who can move goods and services in a timely and reliable manner will be well sought after.

The new business environment has both threats and opportunities. For us to be relevant and to thrive, we need a strong culture, be market driven and be customer focused.

We will continue to upgrade our processes, systems and infrastructures, and to enhance training of our staff to be successful in the new challenging and demanding business environment.

Acknowledgements

I am impressed with the untiring efforts and dedication of the management and staff to grow the Group. We are fortunate to have an excellent team who has the passion and dedication to ever strive for greater heights for the Group.

The support of our customers, suppliers, business associates and the various statutory and government bodies are crucial to our progress to-date. I would like to extend my sincere appreciation for their support.

Finally, I would like to thank my fellow Board members who have been outstanding in fulfilling the obligations and trusts placed on them as stewards of our Group.

Thank you for all your valued contributions. I look forward to another exciting year ahead.

“...we will continue to upgrade our processes, systems and infrastructures, and to enhance training...”

Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid

CHAIRMAN

**DOES IT TAKE A
STRAIGHT LINE TO**





CONNECT 2 POINTS?

IT IS NOT AS SIMPLE AS THAT. A SUCCESSFUL EXPRESS CARRIER UNDERSTANDS AND MASTERS THE SCIENCE OF SUPPLY CHAIN AND LOGISTICS, SYNCHRONISES ITS OPERATIONS AND ENSURES GOODS ARE RELIABLY DELIVERED FROM SUPPLIERS TO MANUFACTURERS, CUSTOMERS OR RETAILERS ON TIME. WE DO JUST THAT.



UNDERSTANDING OUR BUSINESS BETTER

Express Delivery Service

This operation is structured along the principles of a "Hub & Spoke" concept, where shipments are picked up, sorted and redirected to designated stations.



Customer calls GDEX Customer Service for a pick up service.



GDEX assigns despatch to pick up shipments and bring them back to the GDEX station.



Shipments from stations are directed to the GDEX HQ Hub.

Customised Logistics Solutions Service

This operation includes order processing, inventory management, pick and pack, distribution and installation, account receivables processing and status reporting.



Customer delivers bulk materials to GDEX warehouse.



These materials are sorted systematically and repacked into customised GDEX boxes.



The boxes are sealed and addressed to the recipients.



The shipments are sorted & re-distributed at the Hub.



The sorted shipments are sent to designated GDEX stations.



From the station, despatch delivers the shipments to recipient.



The boxes are sent to GDEX HQ Hub for sorting and distribution.



The sorted boxes are sent to designated GDEX stations.



The boxes are then sent to the recipients.

REVIEW OF OPERATIONS BY CEO

The financial year ended 30 June 2005 was a milestone for GD Express Carrier Berhad (GDEX). We were listed on the MESDAQ Market of Bursa Malaysia in May 2005 – amidst the backdrop of uncertainties in the global and domestic economy. The escalating fuel prices in particular, affected the transportation sector adversely. Despite the challenging operating environment, on a proforma basis comparing with the same business last financial year, GDEX achieved a 28% growth in turnover to RM37.9 million and a 96% growth in pre-tax profits to RM5.3 million.

Major Achievements

Amidst the challenges posted by the structural reform in the economy, the Group secured a listing in the MESDAQ Market of Bursa Malaysia on 17 May 2005.

The Group performed up to expectations and recorded a turnover of RM37.9 million on a proforma basis for the year ended 30 June 2005. In comparative terms, this translates to a 28% growth in turnover recorded by the same business. The proforma pre-tax profit of the Group was RM5.3 million for the period under review. This is in line with the Group's forecast stated in the prospectus for the Initial Public Offering (IPO).

Sales and Marketing

The Group's revenue can be segregated into two main sectors, first, the conventional express delivery services and second, the rapidly growing Customised Logistics Solutions (CLS) services.

Express Delivery Services

Express delivery services account for three-quarters of the Group's revenue. This sector of the market is highly competitive. Nevertheless, the Group managed to record continual growth with some new services, namely, Same Day Service (for the Klang Valley), Credit Card Delivery Service and Enhanced Security Service, thereby broadening the range of services available to customers.

Customised Logistics Solutions (CLS)

CLS accounts for one-quarter of the Group's turnover. The services offered include the following:

- Secured Handling Delivery – the delivery of high value items that are closely monitored by specially trained personnel and customised monitoring systems and processes.
- Mailroom Management – catering to customers who wish to in-source their mailroom activities.
- Customised Projects Service – catering to customers who wish to outsource fully or partially their logistics functions. It handles the whole range of services including order processing, inventory management, pick and pack, distribution and installation, account receivables processing and status reporting.

CLS is expected to lead the Group's growth in the future as more companies decide to outsource and in-source their logistics and backroom operations.



Marketing

The Group has embarked on a consistent promotion of the GDEX brand name through regular corporate advertorials and sponsorships. Through these activities, GDEX has achieved greater brand awareness.



Operations, Infrastructure and Network Development

Network

The Group has completed a total revamp of its network in the Sarawak, Sabah and East Coast sectors, bringing the total number of stations to 72. More importantly, it has reviewed and strengthened the relationship with its affiliates and agents of the network by formalising the network agreements and operation standards.

Vehicles

The Group has expanded its vehicle fleet to more than 170 to serve both Peninsula and East Malaysia. To support this fleet of vehicles, the Group has established a professionally run vehicle management division that handles repair and maintenance, fuel utilisation, spares inventory and vehicle administration.

Other Physical Infrastructures

To support its rapid growth, the Group has expanded and upgraded its operational headquarters and certain branches. It has also invested in value-for-money equipment and technologies like high speed image scanners, surveillance cameras and hand-held data collectors.

Information Technology and Systems

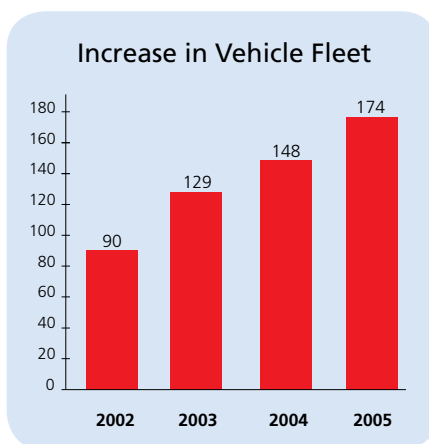
To complement the physical infrastructure, the Group has developed an extensive management information system and network, designed and constructed in modular form, to serve the entire operational and business functions. This has created a uniform and synchronised operating platform to enable information flow at all levels.

The Group is one of the first domestic express carriers to introduce web-based tracking system. It is also able to customised online status reports for customers.

Operational Processes

The Group has developed various references and manuals to direct and control operations covering the 72 stations in both Peninsula and East Malaysia. It has also upgraded its line-haul and transshipment hub to improve delivery timeliness and security.

All these infrastructure and network developments aim to improve operational efficiency and eventually enable us to provide better services to our customers. These developments will be a continuous effort.



Human Resource Development

Training

The Group believes that people is the greatest asset and spares no efforts on training. It has invested heavily in training facilities and training programmes. It has a structured training system and has developed comprehensive training modules for different operational and functional groups.

Staff Strength

The number of employees has increased from 824 to 874 as the Group expanded its operations and business undertakings during the year reviewed.

Scholarship

As part of its efforts to secure quality staff and build an educated workforce, the Group has offered scholarships to needy and deserving undergraduates who will serve the Group upon their graduation. It has also introduced an internship programme for prospective university graduates to serve as management trainees in its growing workforce.



TO KEEP AHEAD OF COMPETITION, THE MANAGEMENT BELIEVES IT MUST CONSTANTLY INNOVATE, IMPROVE AND UPGRADE ITS QUALITY PROCESSES, NETWORK AND INFRASTRUCTURE, AS WELL AS ITS MANPOWER EXPERTISE.

Quality and Culture

Quality Management Systems

The Group is the first domestic express carrier to receive ISO 9001:2000 (Quality Management System) accreditation. It has also embarked on an 18 month Total Quality Management programme that will enable the Group to vie for the Prime Minister's Quality Award (PMQA).

These programmes are designed to equip our people with a mindset for world class excellence in service quality.

Customer, Service Before Profits (CSP)

Our business philosophy is Customer, Service Before Profits. CSP is the central concept guiding our relationship with customers. It ensures that we fulfill our commitments to the customers and that our people always walk the extra mile to serve the best interests of our customers.

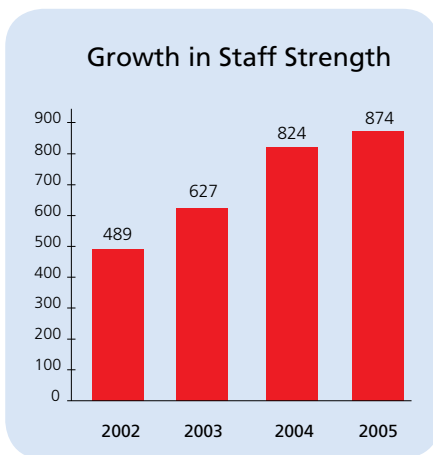
The Challenges Ahead

Looking ahead, we have to contend with many challenges and uncertainties.

At the macro level, the huge trade and wealth imbalances in the world, as well as the continuous rise in energy prices and interest rates are causing great uncertainties in the overall economic environment. The emergence of China and India as economic powerhouses is also posing a great challenge to our economy.

More specific to our business, we are constantly facing price competition from new entrants, merger and integration of business institutions resulting in a smaller clientele pool and uneven bargaining power.

The management is constantly monitoring and drawing up reaction plans to these threats and I am confident that our team is ready to deal with these challenges.



Social Commitment

The Group participated in various charity projects that channelled funds to worthy organisations such as MAKNA (Cancer Foundation), Malaysian AIDS Foundation and Tung Shin Hospital. It also collaborated with Mercy Malaysia and MNI Insurance in contributing to the Tsunami relief efforts.

The Group was also involved in the nationwide financial road shows organised by SMI Association of Malaysia and co-sponsored a book to bring greater awareness of effective financial management among the small and medium enterprises.

Acknowledgements

In a highly competitive environment, a well motivated and cohesive team is vital for success. I would like to thank all my colleagues for the effort, hard work and commitment. I am confident the Group will achieve more and bring us closer to our quest to become the leading express carrier in the region.

Teong Teck Lean

EXECUTIVE DEPUTY CHAIRMAN
& CHIEF EXECUTIVE OFFICER



A COMPANY IS ONLY
AS GOOD AS THE PEOPLE
IT EMPLOYS.







**THE GDEX SUCCESS
REVOLVES AROUND
3 KEY COMPETENCIES**

OUR THREE KEY COMPETENCIES

The standardisation and synchronisation of our operations, backed by constant upgrading of the quality processes, rigorous training of the work force and expansion of the physical and virtual infrastructure, has enabled GDEX to provide consistently high standard of service to its customers.

- SMI ICT Adoption Award 2003
- Keris Award 2003
- ISO 9001:2000 (Quality Management System) Accreditation
- SMI Phoenix Award 2004

We believe in grooming our people with the proper core values guided by the management principles of objective-oriented, accountability and plan-action-review to achieve the corporate qualities of security, integrity and reliability.



OUR SYSTEM



OUR QUALITY



OUR CULTURE

BOARD OF DIRECTORS



left to right:

Kong Hwai Ming

Liew Heng Heng

Nolee Ashilin binti Mohammed Radzi

Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid

Teong Teck Lean

Leong Chee Tong

Lau Wing Tat



Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid

Independent, Non-Executive Chairman, Malaysian aged 56

He was appointed as Chairman on 8 February 2005. He is a qualified Master Mariner with a Masters in Foreign-Going Certificate of Competency from the United Kingdom in 1974 and holds a Diploma in Applied International Management from the Swedish Institute of Management in 1984. He also attended the Advanced Management Program (AMP) at Harvard University in 1993. Amongst his previous experience was the creation and development of Perbadanan Nasional Shipping Line Berhad for which he served as its first Executive Director/CEO for seven (7) years. He is a fellow of the Nautical Institute (UK), a Fellow of the Chartered Institute of Logistics & Transport and a Fellow of the Institute of Kelautan Malaysia. He is also a Founder Director of the Maritime Institute of Malaysia (MIMA). He also sits on the board of directors in other public listed companies. He is the Chairman of WCT Engineering Berhad, and a director of Malaysian Bulk Carriers Berhad. In May 1996, he was appointed by the Minister of Finance as Chairman of Global Maritime Ventures Berhad, a marine venture capital company set up by the Ministry of Finance under Bank Industri & Teknologi Malaysia. He relinquished from this position in August 2003.



Teong Teck Lean

Executive Deputy Chairman and Chief Executive Officer, Malaysian aged 45

He was appointed to the board on 8 February 2005. He holds a degree in Electrical and Electronics Engineering from the University of Manitoba, Canada. Mr Teong started his career as an engineer with Texas Instrument 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 within the corporate world in Malaysia and developed the skills of running a company. In year 2000, he acquired a controlling stake in GD Express Sdn Bhd. He is instrumental in turning around the group and putting in place most of the corporate policies and practices that had been the key factors in contributing towards the success of the Group.



Leong Chee Tong

Executive Director and Deputy Chief Executive Officer, Singaporean aged 40

He was appointed to the board on 8 February 2005. He has a degree in Accountancy from the National University of Singapore. Mr Leong started his career with Ernst & Young in Singapore in 1989. He then joined Tai Wee, a leading frozen food trading house in Singapore in 1991, before moving on to NTUC Healthcare Cooperative as its Finance Manager in 1995. During his five (5) years at the Cooperative, where he was eventually promoted to Group Financial Controller, the organisation grew to become one of the leading and most comprehensive healthcare setups in Singapore with businesses covering retail pharmacy, medical and dental practices, managed care programme and distribution of healthcare products. Mr Leong joined GD Express Sdn Bhd in 2000 and had played a key role in GD Express turnaround and success. He has designed and structured most of the key work flows and operations processes and IT system that are at the heart of the Group's business operations.



Lau Wing Tat

Non-Independent Non-Executive Director, Singaporean aged 51

He was appointed to the board on 8 February 2005. He has a Degree in Mechanical Engineering from the University of Singapore and is a CFA charter holder. He is currently the Managing Director and a Co-Chief Investment Officer of DBS Asset Management Limited, a wholly owned subsidiary of DBS Bank in Singapore. Mr Lau started his career as a Project Engineer with Esso Singapore Private Limited in 1979 before becoming an Assistant Consultant with PA Consultant in 1982. He then joined the Government of Singapore Investment Corporation (GIC) where he served for 20 years as an investment management specialist. He started off by handling private equity investment such as Venture Capital and Leveraged Buyout Investments before specialising in managing investment portfolios investing in listed equities. He subsequently took on the management roles in heading various investment teams in the Equities Department of GIC from 1984 to 2003. During his stint in GIC, he had developed vast experience and knowledge about the general economy, industries and different business models adopted by established companies throughout the world. He was appointed a member of the GIC Senior Management team overseeing the entire equities investing operations of GIC during his final four years in GIC. In addition, he was appointed as a non-executive director on the Board of Thistle Hotel PLC and to the board of Distacom Communications Limited (Hong Kong) by GIC. He joined GD Express Sdn Bhd in May 2003.



Kong Hwai Ming

Independent Non-Executive Director, Singaporean aged 45

He was appointed to the board on 8 February 2005. He has a Diploma in Mechanical Engineering and Advance Diploma in Industrial Management from Singapore Polytechnic. Mr Kong started his career as a technician with Esso Refinery in 1981. He joined Petrochemical Corporation of Singapore as Operations Executive from 1989 to 1991. He then started his own trading company CKG Chemicals Pte Ltd specialising in petroleum chemical products in 1991. He is currently the Executive Director and substantial shareholder of the company which has a turnover of USD100 million per annum. He has more than 20 years experience in trading of petroleum and petrochemical products worldwide.



Liew Heng Heng

Independent Non-Executive Director, Malaysian aged 48

She was appointed to the board on 8 February 2005. She graduated from Systematic Institute Kuala Lumpur and holds a CIMA Certificate. She started her career as an Accounts Assistant with the New Straits Times Berhad in 1981. She then moved on to work with 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 moving to Bison Stores Sdn Bhd as Finance and Administration Manager where she is currently based.



Nolee Ashilin binti Mohammed Radzi

Independent Non-Executive Director, Malaysian aged 30

She was appointed to the board on 30 December 2004. She has a BS (Hons) Degree in Accounting and Finance from the Manchester Metropolitan University, United Kingdom, and a Masters in Business Administration from Edith Cowan University, Australia. She started her career as an Accounts Officer with Le Proton LIMA Exhibitions Sdn Bhd, Kuala Lumpur in 1997 and later joined Le Proton Exhibitions Sdn Bhd, Ipoh as Finance Executive in 2000. She moved on to work for Pricewaterhouse Coopers as Associate Auditor in 2002. In 2003, she became an Associate Consultant for Atarek Kamil and Co. and in 2004, she joined the Ministry of Youth and Sports as a Research Officer in the Minister's Office. She is an Associate Member of Certified Practising Accountant ("CPA") Australia.

All Directors do not have any family relationship with any directors and/or major shareholders of GD Express Carrier Berhad nor any personal interest in any business arrangement involving GD Express Carrier Berhad and have no convictions for any offences within the past 10 years. Except for Mr. Lau Wing Tat, they all have attended one (1) Board meeting in the financial year.

CORPORATE INFORMATION

COMPANY SECRETARIES	Nuruluyun binti Abdul Jabar (MIA 9113) Woo Ying Pun (MAICSA 7001280)
REGISTERED OFFICE	Level 17, Menara Milenium Jalan Damanlela, Pusat Bandar Damansara 50490 Kuala Lumpur Tel: 03-2718 1551 Fax: 03-2715 7699
CORPORATE HEAD OFFICE	19 Jalan Tandang 46050 Petaling Jaya Selangor Tel: 03-7787 6668 Fax: 03-7787 6686 Website: www.gdexpress.com
SHARE REGISTRAR	Symphony Share Registrars Sdn Bhd (378993-D)
AUDITORS	Deloitte KassimChan (AF0080)
ADVOCATES & SOLICITORS	Lee & May
PRINCIPAL BANKER	Malayan Banking Berhad (3813-K)
SPONSOR	OSK Securities Berhad (14152-V)
STOCK EXCHANGE LISTING	MESDAQ Market of Bursa Malaysia Securities Berhad
INVESTORS' INFORMATION	Stock Name : GDEX Stock Code : 0078

The addresses for the partners above are located at the inner back cover of this annual report.

SENIOR MANAGEMENT



Tiang Chen Chen

Cheng Kee Leong

Lam Yew Kwan

Yong Phie Loong

Lisa Chan

Wong Eng Su

Tiang Chen Chen

Head of Network Development Unit aged 35

She started her career as Accounts Assistant with See Hoy Chan Sdn Bhd in 1993 and moved on to Ching and Associates as Senior Audit Executive in 1995. She later joined OSK Securities Bhd as Institutional Trader in 1998 before joining GD Express Sdn Bhd in 2000 as a management trainee. Over a four-year period, she held various positions in the company before being promoted to the Head of Network Development where she is responsible for the implementation of plans for network expansion and development and also supervising compliance with network policies and standards.

Cheng Kee Leong

Head of Transport Division aged 50

He obtained a Diploma in Automobile Engineering from Sagawa Automobile Institute, Japan in 1985. He has attended various management and professional courses both locally and overseas. He started his career as Technical Advisor in United Sagawa Sdn Bhd for two years from 1986 and 1987. He then moved on to various management positions in courier service industries, including senior manager, transport and operations for Nationwide Express Sdn Bhd and MBJ Co-loaders. He joined GD Express Sdn Bhd in February 2002 and his responsibilities cover the set-up, planning and implementation of proper control measures in vehicle operations.

Lam Yew Kwan

Head of Finance aged 41

He holds a Bachelor of Economics Degree (major in Accounting) from the University of Adelaide, Australia. He is a member of the Malaysian Institute of Accountants and Certified Practising Accountant (CPA) Australia. Upon his graduation, he worked as an accountant with TNT Couriers (NZ) Ltd and Nu-Con Engineering (NZ) Ltd in New Zealand. He returned to Malaysia in 1991 where he joined Yeo Hiap Seng (M) Bhd as an Accountant and was later promoted to Chief Accountant. He joined GD Express Sdn Bhd in May 2004 where he is responsible for the overall accounting and financial management of the Group.

Yong Phie Loong

Head of Courier Division aged 51

He started his career in 1973 as an Internal Audit Assistant in Central Securities (Holdings) Bhd (later renamed to Ganda Holdings Bhd), a public listed company. He was later promoted to Group Financial Controller in 1982. In 1986, he was seconded to its associate company Nationwide Express Sdn Bhd as Chief General Manager. Upon the sale of Nationwide Express to FedEx, USA in 1991, he assumed the post of Regional Manager, Financial Planning and Analysis in FedEx. Subsequently he joined Unico Trading Sdn Bhd as its General Manager from 1992 to 1993. He left to become a corporate consultant to a number of companies and institutions. In 1997, he co-founded the courier business of GD Express Sdn Bhd. He is an accountant by training, having completed his ACCA professional examinations in 1974 and is currently a member of the Malaysian Institute of Accountants.

Lisa Chan

Head of Corporate Affairs aged 47

She holds a Diploma in Private Secretaryship from the Bedford Secretarial College. She started her career as an Administrative Officer with the Town Planning Unit of the District Council of Johore in 1979 and moved on to work with several other companies as Sales Secretary/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. She joined GD Express Sdn Bhd in 1997 as Executive Assistant to the Managing Director before assuming her present position. She oversees the corporate secretarial work relating to regulatory and statutory matters, and board of directors. She also handles public relations and administrative duties of the Group.

Wong Eng Su

Head of Sales and Credit aged 34

He graduated with a Bachelor of Business (Human Resource Management/Economics) from the University of Charles Stuart, Australia. Upon graduation, he joined A'Famosa Resort Hotel as Sales Coordinator and Executive. He joined GD Express Sdn Bhd in 2000 as Sales Executive and subsequently as Internal Control Audit and Coordination Executive before assuming his present position. He is responsible for the full compliance of sales and credit policies and standards for the entire network.

STATEMENT ON CORPORATE GOVERNANCE

The Importance of Corporate Governance

The Board of Directors (“the Board”) of GD Express Carrier Berhad (“GDEX” or “the Company”) is committed to the principles and the best practices in corporate governance as set out in the Malaysian Code on Corporate Governance (“the Code”), in order to meet the highest standard of corporate governance as a fundamental part of discharging its responsibilities to protect and enhance shareholders’ value and financial performance; and safeguard the interest of other stakeholders.

The Board is pleased to outline the key principles and best practices of the Company, taken as a whole, which forms the system of governance adopted by the Board.

1. Board of Directors

1.1 Role and Responsibilities

The Board is the ultimate executive body of GDEX Group. It resolves key business matters and corporate policies except those reserved for shareholders as provided in the Articles of Association in accordance with the Companies Act, 1965 and other Regulations.

The Board is primarily responsible for setting strategic business directions, overseeing business conducts and affairs, developing shareholders and investors relations and communications, risk management, reviewing the system of internal control and succession planning.

The Board takes full responsibility for the performance of the GDEX Group. The Board has a schedule of matters reserved specifically for its decision and the most significant ones includes approval of annual budget and operating plan, capital expenditure in accordance with the approval framework, major acquisition and divestment, investments and fundamental corporate policies; in particular on corporate governance, financial matters and compliance. The Board reviews past business results and approval of necessary corrective actions. The Board also approves all appointments of directors to the Board and key executive appointments; and monitors and reviews executive succession planning.

The Board has delegated specific responsibilities to 2 sub-committees namely the Audit Committee and the Combined Nomination and Remuneration Committee, which were established with specific terms of references. These Committees have the authority to examine particular issues for reporting to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board of Directors.

1.2 Board Composition and Independence

The composition of the Board is as follows:

- One Independent Non-Executive Chairman
- One Executive Deputy Chairman and Chief Executive Officer
- One Executive Director and Deputy Chief Executive Officer
- One Non-Independent Non-Executive Director
- Three Independent Non-Executive Directors

The Board has seven members, comprising four (4) Independent Non-Executive Directors, two (2) Non-Independent Executive Directors and one (1) Non-Independent Non-Executive Director.

The Board composition complies with Rule 13.2 of Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Listing Requirements for MESDAQ Market which requires that at least two of the Board Members, to be Independent Directors.

1.3 Board Balance and Effectiveness

An effective and experienced Board comprising of members with a wide range of skills, knowledge and experience necessary governs the GDEX Group; including international and regional operational experience, understanding of economics of the sector in which GDEX operates and knowledge of world capital markets.

A brief profile of each of the Directors is presented on pages 20 to 22 of the Annual Report.

The key function of the Chairman, apart from conducting meetings of the Board and shareholders, include the setting of business directions and strategies of GDEX Group, ensuring that all Directors are properly briefed during Board discussions and shareholders are informed of the subject matters where their approvals are required.

The Executive Deputy Chairman & Chief Executive Officer in particular is responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies. The Executive Directors contribute significantly in corporate policies and strategies, performance monitoring, allocation of resources as well as improving corporate governance and internal controls, with their intimate knowledge and understanding of the business and industry.

Balance in the Board is achieved and maintained where the composition of the members of the Board are professionals and entrepreneurs, with the mix of industrial knowledge and board business and commercial experience. Such balance enables the Board to provide effective leadership in all aspects, as well as maintaining the high standards of governance and integrity in making decisions relating to strategy, performance, internal control, investors' relation and human resource management.

1.4 Board Meetings

The Company was listed on the MESDAQ Market of Bursa Securities on 17 May 2005. During the financial year ended 30 June 2005, the Board's first meeting was held on 10 May 2005. Details of the attendance are as follows:

Director	Position	Attendance	%
Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid	Independent Non-Executive Chairman	1/1	100
Teong Teck Lean	Executive Deputy Chairman and Chief Executive Officer	1/1	100
Leong Chee Tong	Executive Director and Deputy Chief Executive Officer	1/1	100
Lau Wing Tat	Non-Independent Non-Executive Director	0/1	-
Kong Hwai Ming	Independent Non-Executive Director	1/1	100
Nolee Ashilin binti Mohammed Radzi	Independent Non-Executive Director	1/1	100
Liew Heng Heng	Independent Non-Executive Director	1/1	100

The Board is scheduled to meet at least four times a year, at quarterly intervals, with additional meetings convened as necessary. The Chairman, with the assistance of the Management and the Company Secretary, is responsible for setting the agenda for Board meetings.

1.5 Appointments to the Board

The Board through the Combined Nomination and Remuneration Committee believes that the current composition of the Board brings the required mix of skills and core competencies required for the Board to discharge its duties effectively. However, the Board, shall, with the assistance of the Combined Nomination and Remuneration Committee, look into the required mix of skills of the Board from time to time in order to identify the candidate with the qualifications and experience who will further complement the current Board and assist in managing GDEX Group effectively. The Board continuously reviews its size and composition, with particular consideration on its impact on the effective functioning of the Board.

The Board appoints its members through a formal and transparent selection process. This process has been reviewed, approved and adopted by the Board. The decision on appointments is the responsibility of the full Board after considering the recommendation of the Nomination and Remuneration Committee.

The Company Secretary is responsible for ensuring that all appointments are properly made, and that all legal and regulatory obligations are met.

1.6 Re-election of Directors

In accordance with the Company's Articles of Association, at least one-third (1/3) of the Directors for the time being or if the number is not three (3) or a multiple of three (3) then the nearest one-third (1/3) shall retire from office at each Annual General Meeting. All Directors shall retire from office once at least every three (3) years but shall be eligible for re-election. Directors who are appointed by the Board during the financial year are subject to re-election by the shareholders at the next Annual General Meeting following their appointments. This provides an opportunity for the shareholders to review and approve their tenure in office.

To assist shareholders in their decision, sufficient information such as personal profile, attendance at meetings and their shareholdings in the Company of each Directors standing for election are furnished in the Annual Report.

1.7 Board Committees

The Board has established the following Committees, which operate within defined terms of reference to assist the Board in the execution of specific responsibilities:

1.7.1 Audit Committee

The Audit Committee reviews issues of accounting policy, financial reporting of the GDEX Group, monitors the work and effectiveness of the internal audit function and ensures an objective and professional relationship is maintained with the external auditors. The Committee has full access to the auditors, both internally and externally, who, in turn, have access at all times to the Chairman of the Committee.

The composition, duties and the details of meetings of the Audit Committee are set out in the Audit Committee Report on pages 33 to 35 of the Annual Report.

1.7.2 Combined Nomination and Remuneration Committee

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise exclusively of non-executive Directors, majority of whom are independent.

The Committee shall consist of at least three members.

The Combined Nomination and Remuneration Committee were formed on 10 May 2005 to carry out the following functions:

- To review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary.
- To review and recommend new nominees for appointment to the Board of Directors.
- To assess Directors on an on-going basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.

- To recommend to the Board, Directors to fill the seats on Board Committees.
- To review annually the Board's mix of skills and experience and other qualities including core competencies which non-executive Directors should bring to the Board.
- To recommend to the Board for continuation (or not) in service of executive Director(s) and Directors who are due for retirement by rotation.
- To orientate and educate new Directors as the nature of the business, current issues within the Company and the corporate strategy, the expectations of the Company concerning input from the Directors and the general responsibilities of Directors.
- To recommend to the Board the framework of Executive Directors' remuneration package.
- To recommend to the Board any performance related pay schemes for Executive Directors.
- To review Executive Directors' scope of service contracts.
- To consider the appointment of the service of such advisers or consultants as it deems necessary to fulfill its functions.

Members of the Combined Nomination and Remuneration Committee, comprising exclusively of Non-Executive Directors, a majority of whom are independent are as follows:

Name	Designation
Chairman:	
Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid	Independent Non-Executive Chairman
Vice Chairman:	
Kong Hwai Ming	Independent Non-Executive Director
Members:	
Liew Heng Heng	Independent Non-Executive Director
Lau Wing Tat	Non-Independent Non-Executive Director
Nolee Ashilin binti Mohammed Radzi	Independent Non-Executive Director

1.8 Supply of Information

The Chairman ensures that all Directors have unrestricted access to timely and accurate information in the furtherance of their duties. Board papers are distributed in advance to enable the Directors sufficient time to review the Board papers and to obtain further explanation or clarification to facilitate the decision process and meaningful discharge of their duties. All proceedings of the Board meetings are minuted and signed by the Chairman of the meeting.

Every Director has unhindered access to the advice and services of the Company Secretary, and if so required, may seek independent advice, at the Company's expense, in furtherance of his duties.

1.9 Directors' Training

All the Directors of the Company have attended the Mandatory Accreditation Programme conducted by BURSATRA Sdn Bhd (formerly known as Bursa Malaysia Training Sdn Bhd) within the stipulated time frame required in the Listing Requirements.

As the Continuous Education Programme has been repealed by Bursa Securities with effect from 1 January 2005, the Board of Directors will assess the training needs of the Directors and ensure fulfilment of such training deemed appropriate by the Board of Directors.

2. Directors' Remuneration

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to assist in managing the Group effectively.

The aggregate remuneration of the Directors from the Company and its subsidiaries for the financial year ended 30 June 2005 (from the date of appointment on 8 February 2005 till the financial year ended 30 June 2005), categorised into appropriate components are as follows:

Remuneration	Executive Directors	Non-Executive Directors
	RM	RM
Salaries	175,000	–
Fees & Allowances	–	58,000
EPF	21,000	–
	196,000	58,000

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

Range of Remuneration	Number of Directors	
	Executive Directors	Non-Executive Directors
Below RM50,000	–	5
RM50,001 - RM100,000	1	–
RM100,001 - RM150,000	1	–

3. Investors Relations & Shareholders Communication

3.1 Investor Relations

The Board acknowledges the need for shareholders to be informed of all key issues and major development affecting the Company. In addition to various announcements made during the year, the timely release of financial results on a quarterly basis provides shareholders with an overview of GDEX Group's performance and operations.

The Company will use the Annual General Meeting as the primary channel of communicating with its shareholders. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Members of the Board as well as the Auditors of the Company will be present to answer questions raised at the meeting.

Shareholders can access in to the Company's website www.gdexpress.com for information of the Group's operations.

3.2 Policy

The Company has a Corporate Disclosure Policy to enable the Company to communicate effectively with its shareholders, major investors, other stakeholders and the public generally with the intention of giving them a clear picture of GDEX Group's performance and position.

The Board has appointed Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid as the Senior Independent Non-Executive Director, to whom all queries and concerns with regards to the Company, may be conveyed.

The investors and shareholders are provided with the necessary and relevant information pertaining to the major developments of the Company on a timely basis through Annual Reports, press releases and various disclosures and announcements made to the Bursa Securities including the quarterly results and annual results.

Corporate Disclosure Policy and Procedures (CDPP)

On 19 August 2005 the Board of Directors of GDEX adopted the CDPP to provide accurate, clear and complete, disclosure of all material information in a timely manner, in order to keep shareholders and the investing public informed about the company's operations.

Objectives CDPP

- To raise awareness and provide guidance to management and employees on disclosure requirements and practices.

- To provide guidance and structure in disseminating corporate information to, and in dealing with, investors, analysts, media and the investing public.
- To ensure compliance with legal and regulatory requirements on disclosure of material information.

Scope and application of the CDPP

- To provide guidance in the determination and dissemination of material information, the circumstances under which the confidentiality of information will be maintained and restrictions on employee trading.
- Applicable to directors, officers, managers and other interested parties including substantial shareholders, advisers, accountants, bankers and stockbrokers of the company.

Accountability

- The Board is accountable to fulfill all disclosure requirements and may delegate this function to the Corporate Disclosure Unit.

Corporate Disclosure Committee (CDC)

- Functions and responsibilities:
 - (i) maintains awareness and understanding of disclosure rules and guidelines
 - (ii) determines the materiality of information within the context of the company's overall business affairs, and if so, ensuring the procedure outline in the CDPP are fully adhered
 - (iii) develops, implements, monitors compliance and regularly reviews the CDPP
- Membership:

The members shall consist of senior management such as the Chief Executive Officer, Head of Corporate Compliance and Disclosure Unit and Head of Corporate Planning and Development.

Corporate Disclosure Manager (CDM)

- The CDM shall be appointed by the Board and the person so appointed shall hold office until such time the Board appoints another.
- Functions and responsibilities of the CDM shall include:
 - (i) oversees and coordinates the disclosure of information to the stock exchange, analysts, brokers, shareholders, media and the public
 - (ii) ensures compliance with the continuous disclosure requirements
 - (iii) educates directors and staff on the CDPP

Designated Spokespersons

- The Designated spokespersons shall include the Chairman and Chief Executive Officer or any other suitable person appointed by the Board.
- The spokespersons may designate others to speak on behalf of the company on specific business issues or inquiries to facilitate communication with the investment community or the media.
- Employees are not to respond to inquiries from the investment community or the media unless specifically asked to do so by an authorised spokesperson. All such queries shall be referred to the CDM.

4. Accountability and Audit

4.1 Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of GDEX Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of results to shareholders as well as the Chairman's statement in the Annual Report.

The Audit Committee assists the Board in overseeing GDEX Group's financial reporting processes and the accuracy, adequacy and completeness of its financial reporting.

4.2 Internal Control

The Directors acknowledge their responsibilities for the internal control system in GDEX Group, covering not only financial controls but also controls relating to operational, compliance and risk management. The GDEX Group's Internal Control Statement is set out on page 36 of the Annual Report.

4.3 Relationship with Auditors

The Company's external auditors, Messrs Deloitte KassimChan has continued to report to shareholders of the Company on their findings which are included as part of the Company's financial reports with respect to each year's audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the auditors to meet their professional requirements.

The role of the Audit Committee in relation to the external auditors is set out in the Audit Committee Report on pages 33 to 35 of the Annual Report.

4.4 Compliance Statement

The Group has the intention to comply with all best practices set out in the Malaysian Code on Corporate Governance.

4.5 Directors' Responsibility Statement in Respect of the Preparation of the Audited Financial Statements

The Directors are required under Guidance Notes 2, Part V, para 2.14, of the Listing Requirements to issue a statement explaining their responsibility for preparing the annual audited financial statements.

The Directors are required by law to prepare financial statements for each financial year which give 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 2005 on pages 41 to 76 of the printed version of

this Annual Report, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Directors also consider that all applicable approved accounting 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 the financial position of the Company and comply with the provisions of the Companies Act, 1965.

The Directors are also responsible for taking such steps that are necessary 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.

AUDIT COMMITTEE REPORT

The Board of Directors of GD Express Carrier Berhad (“GDEX” or “the Company”) is pleased to present the report of the Audit Committee for the financial period ended 30 June 2005.

Members

The members of the Audit Committee are as follows:-

- i. Dato’ Ahmad Sufian @ Qurnain bin Abdul Rashid
Independent Non-Executive Chairman
- ii. Kong Hwai Ming
Independent Non-Executive Director
- iii. Liew Heng Heng
Independent Non-Executive Director
- iv. Leong Chee Tong
Executive Director and Deputy Chief Executive Officer

Terms of Reference

1. Composition of Audit Committee

The Audit Committee (“the Committee”) shall be appointed by the Board of Directors (“the Board”) from amongst the Directors and shall consist of not less than three members, a majority of whom shall be Independent Directors of the Company.

The Board shall, within three (3) months of a vacancy occurring in the Committee which result in the number of members reduced to below three (3), appoint such number of new members as may be required to fill the vacancy.

The Committee shall elect a Chairman from among their members who shall be an Independent Director. An Alternate Director and Chief Executive Officer must not be appointed as member of the Committee.

2. Membership

At least one member of the Committee:-

- Must be a member of the Malaysian Institute of Accountants; or
- If not a member of the Malaysian Institute of Accountants, that the member must have at least 3 years’ working experience and must have passed the examinations

specified in Part I of the 1st Schedule of the Accountants Act, 1967; or must be a member of one of the associations of the accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or

- Must have a degree / master / doctorate in accounting or finance and at least 3 years’ post qualification in accounting or finance; or
- Must have at least 7 years’ experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation;

Terms of Membership

Members of the Committee shall be appointed for an initial term of three (3) years after which they will be eligible for re-appointment.

The appointment and performance of the members shall be subject to review by the Board at least once every three (3) years to determine whether such members have carried out their duties in accordance with these terms of reference.

3. Authority

The Committee is authorised by the Board to investigate any activity of the Company and its subsidiaries within its terms of reference or otherwise directed by the Board. It shall have:-

- i. The authority to investigate any matter within its terms of reference;
- ii. The resources which are required to perform its duties;
- iii. Full and unrestricted access to any information pertaining to the Company;
- iv. Direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- v. The right to obtain independent professional or other advice;
- vi. The rights to convene meetings with the external auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

vii. The authority to report any matter to the Bursa Malaysia Securities Berhad if it is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in breach of the Listing Requirements.

The Committee is also authorised by the Board to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary and reasonable for the performance of its duties.

4. Meetings and Minutes

The Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties.

In addition to the Committee members, the meetings will normally be attended by the representatives of the departments in the Company and of the external auditors as and when required.

The Committee may invite any person to be in attendance to assist it in its deliberations.

A quorum shall consist of a majority of Independent Directors and shall not be less than two.

The decision of the Committee shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote, provided that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question in issue, the Chairman shall not have a casting vote.

The Committee shall be reporting to the full Board from time to time its recommendation for consideration and implementation and the actual decision shall be the responsibility of the Board of Directors after considering the recommendation of the Committee.

The Company Secretary shall act as Secretary of the Committee and shall be responsible for drawing up the agenda with the concurrence of the Chairman and circulating it, supported by explanatory documentation to Committee members prior to each meeting.

The Secretary shall also be responsible for recording the proceedings of the Committee and the minutes of meetings tabled at Board meetings.

5. Duties

The duties of the Committee should include the following:

- To consider the appointment of the External Auditor, the audit fee and any questions of resignation or dismissal;
- To discuss with the External Auditor before the audit commences, the nature and scope of the audit, and ensure coordination where more than one audit firm is involved;
- To review the quarterly and year-end financial statements of the Company, focusing particularly on:
 - Any changes in accounting policies and practices;
 - Significant adjustments arising from the audit;
 - The going concern assumption;
 - Compliance with accounting standards and other legal requirements;
- To discuss problems and reservations arising from the interim and final audits, and any matter the Auditor may wish to:
 - Discuss (in the absence of management where necessary)
 - To review the External Auditor's management letter and management's response.
 - To consider any related party transactions that may arise within the Company or Group.
 - To consider the major findings of internal investigations and management's response.
- To do the following where an internal audit function exists:
 - Review the adequacy of the scope, functions and resources of the internal audit function, and the necessary authority to carry out its work;
 - Review the internal audit programme and results of the internal audit programme and the results of the

internal audit process and where necessary ensure that appropriate actions taken on the commendations of the internal audit function;

- Review any appraisal or assessment of the performance of members of the internal audit functions;
- Approve any appointment or termination of senior staff members of the internal audit function;
- Inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- To consider other topics as defined by the Board.

Summary of Activities of the Audit Committee

Since the establishment of the Committee on 28 February 2005, the Committee convened its first meeting on 10 May 2005. The details of the attendance of the meeting are as follows:

Director	Audit Committee Meeting Attended	%
Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid	1/1	100
Kong Hwai Ming	1/1	100
Liew Heng Heng	1/1	100
Leong Chee Tong	1/1	100

Internal Audit Function

The Committee has recently established an internal audit function. To assist the internal audit function, the Committee has considered engaging the services of an external consultant to assist in improving the Group's risk management capabilities and creating an effective internal control function. During the financial year, the internal auditor undertook review on the adequacy of the Group's insurance coverage. The Board is pleased to disclose that there were no significant weaknesses identified that would have resulted in any material losses, contingencies or uncertainties to the GDEX Group.

STATEMENT ON INTERNAL CONTROL

The Board of Directors (“the Board”) of GD Express Carrier Berhad (“GDEX” or “the Company”) is pleased to provide the following Statement of Internal Controls, which outlines the nature and features of internal control of the Company and its Group of Companies (“the Group”) in accordance with the “Statement of Internal Control – Guidance for Directors of Public Listed Companies”.

Responsibility

The Board is responsible for the system of internal control and regularly review its effectiveness. The principal aim of the system of internal control is the management of business risk, with the view to enhance the value of shareholders’ investments and safeguard of assets. Although no system of internal control can provide absolute assurance that the business risk will be fully mitigated, the internal control systems have been designed to meet the Group’s specific needs and the risk to which it is exposed.

Key Features of the Group’s Internal Control System

The key features of the Group’s internal control system can be summarised as follows:

1. Control Environment

- Organisation Structure and Authority

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

- Corporate Philosophy

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

- Policies and Procedures

The Group maintains a set of documented systems, policies, procedures and practices, which are continually updated, communicated and accessible to all employees.

- Human Resource

The Group maintains an effective staff recruitment, retention and rotation process to ensure that the people with integrity and the right skill and experience are employed for the functions and operations of the Group.

2. Internal Audit and Risk Management

The Group recently established an internal audit function, which is independent of the Group’s external auditors. The Audit Committee is responsible for the internal audit function, ensures that is appropriately staffed and that its scope of work is adequate in the light of the key risks facing the Group and the other monitoring functions in place. It also reviews and approves the annual internal audit plan.

The major roles of the internal audit function is to provide the following:

- Assess the design and effectiveness of controls governing key operational process and business risks;
- Provide the Board with an assessment, independent of management, as to the adequacy of the Group’s operational and financial controls, systems, policies, procedures and practices;
- Assist the Board in meeting its corporate governance and regulatory responsibilities; and
- Provide consulting services to management in order to enhance the control environment and improve business performance.

To assist the internal audit function, the Audit Committee considered engaging the services of an external consultant to assist in the following manner:

- Improving GDEX’s risk management capabilities by facilitating an Integrated Risk Management Solutions to identify, prioritise and manage the risk in an enterprise-wide manner.
- Creating an effective internal audit function for GDEX by leveraging on the proven methodology, experience and specialised resources.

Conclusion

The Board is satisfied that, during the year under review, the system of internal control instituted is sound and effective. Notwithstanding this, the Board is vigilant and continues to review the effectiveness and adequacy of the systems of internal control, in view of the dynamic and changing business environment, so as to safeguard the Group’s assets and shareholders’ interest.

FINANCIAL HIGHLIGHTS

2005 Key figures

	RM'000
Revenue	16,211
Profit from operations	3,513
Net profit	2,243
Return on revenue	14%
Net tangible assets	31,536
Paid up capital	20,575
Shareholders' equity	31,686

Shares information

(Ordinary shares of RM0.10 each)

Earnings per share (sen)	3.15
Net tangible assets per share (RM)	0.15
Share price at end of financial year (RM)	0.98

The background of the image shows a warehouse filled with numerous stacks of cardboard boxes. Each box is prominently labeled with the 'GDEX' logo in red and black. The stacks are arranged in several rows, with some boxes in the foreground appearing slightly blurred, suggesting a shallow depth of field. The overall lighting is warm and yellowish, typical of an indoor industrial setting.

FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE
2005





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DIRECTORS' REPORT

The directors of **GD EXPRESS CARRIER BERHAD** 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 2005.

PRINCIPAL ACTIVITIES

During the financial year, the Company commenced operations in the investment holding. The principal activities of the subsidiary companies acquired during the year are as disclosed in Note 11 to the Financial Statements. Other than as disclosed above, there have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

SIGNIFICANT CORPORATE EVENTS

- (1) On 17 May 2005, the entire issued and paid-up share capital of the Company, comprising 205,748,830 ordinary shares of RM0.10 each, was quoted on the MESDAQ Market of Bursa Malaysia Securities Berhad. The Company's listing scheme involved, inter-alia, the following:
 - (a) Acquisition of 17,300,000 ordinary shares of RM1.00 each in GD Express Sdn Bhd ("GDSB"), representing the entire equity interest in GDSB, for a purchase consideration of RM12,774,781 fully satisfied by the issuance of 12,774,781 new ordinary shares of RM1.00 each at par in the Company;
 - (b) Acquisition of 100 ordinary shares of RM1.00 each in GD Technosystem Sdn Bhd ("GDTech"), representing the entire equity interest in GDTech, for a purchase consideration of RM100 fully satisfied by the issuance of 100 new ordinary shares of RM1.00 each at par in the Company;
 - (c) Acquisition of IT Software System by the Company from GD Holdings International Ltd., a company in which certain directors of the Company, Mr. Teong Teck Lean and Mr. Leong Chee Tong are also directors and Mr. Teong Teck Lean has substantial financial interest, for a purchase consideration of RM4,300,000 fully satisfied by the issuance of 4,300,000 new ordinary shares of RM1.00 each at par in the Company. Subsequently, the said IT Software System was injected into GDTech by the Company for a consideration of RM4,300,000 fully satisfied by the issuance of 4,300,000 new ordinary shares of RM1.00 each at par in GDTech;
 - (d) Share split for the entire issued and paid-up share capital of the Company, comprising 17,074,883 ordinary shares of RM1.00 each into 170,748,830 ordinary shares of RM0.10 each;
 - (e) Public issue of 35,000,000 new ordinary shares of RM0.10 each at an issue price of RM0.30 per share payable in full on application comprising:
 - (i) 2,000,000 new ordinary shares of RM0.10 each available for application by the Malaysian public;
 - (ii) 5,000,000 new ordinary shares of RM0.10 each available for application by eligible employees and executive directors of the Company and its subsidiary companies; and
 - (iii) 28,000,000 new ordinary shares of RM0.10 each by way of private placement to identified institutions / investors.
- (2) On 12 October 2005, the Company announced the following proposed corporate exercise:
 - (a) Proposed private placement of up to 20,574,883 new ordinary shares of RM0.10 each in the Company (or up to 25,718,604 new ordinary shares in the Company if the proposed bonus issue is implemented before the proposed private placement), representing 10% of the issued and paid-up share capital of the Company at an issue price to be determined and announced later; and
 - (b) Proposed bonus issue of up to 56,580,928 new ordinary shares in the Company (or up to 51,437,208 new ordinary shares if the proposed bonus issue is implemented before the proposed private placement), to be credited as fully paid-up, on the basis of one new ordinary share for every four existing shares held in the Company on an entitlement date to be determined and announced later.

The abovementioned proposed corporate exercise is subject to the approvals of the relevant authorities and shareholders of the Company.

RESULTS OF OPERATIONS

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

	The Group RM	The Company RM
Profit/(Loss) before tax	3,429,275	(34,220)
Income tax expense	(1,186,000)	–
Net profit/(loss) for the year	2,243,275	(34,220)

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the acquisition of subsidiary companies as mentioned above and the exceptional items as disclosed in Note 5 to the Financial Statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previously financial period. The directors also do not recommend the payment of any dividend in respect of the current financial year.

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

As approved by the shareholders at an Extraordinary General Meeting held on 8 February 2005, the issued and paid-up share capital of the Company was increased from RM2.00, comprising 2 ordinary shares of RM1.00 each, to RM20,574,883, comprising 205,748,830 ordinary shares of RM0.10 each, by way of:

- a. An issue of 12,774,781 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.00 per share to finance the acquisition of 17,300,000 ordinary shares of RM1.00 each, representing 100% equity interest in GDSB, for a total purchase consideration of RM12,774,781;
- b. An issue of 100 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.00 per share to finance the acquisition of 100 ordinary shares of RM1.00 each, representing 100% equity interest in GDTech, for a total purchase consideration of RM100;
- c. An issue of 4,300,000 new ordinary shares of RM1.00 in the Company at an issue price of RM1.00 per share to finance the acquisition of IT Software System;
- d. A share split for the entire issued and paid-up share capital of the Company, comprising 17,074,883 ordinary shares of RM1.00 each into 170,748,830 ordinary shares of RM0.10 each; and
- e. A public issue of 35,000,000 new ordinary shares of RM0.10 each in the Company at an issue price of RM0.30 per share in conjunction with the listing of the entire issued and paid-up capital of the Company on the MESDAQ Market of Bursa Malaysia Securities Berhad.

The resulting share premium of RM7,000,000 arising from the issue of shares as mentioned in (e) above has been credited to the share premium account. The new ordinary shares issued rank 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.

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 FINANCIAL INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

- a. to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- b. to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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

- a. which would render the amount written off for bad debts or the 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 liability 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 the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid	(appointed on 8.2.2005)
Teong Teck Lean	(appointed on 8.2.2005)
Leong Chee Tong	(appointed on 8.2.2005)
Lau Wing Tat	(appointed on 8.2.2005)
Liew Heng Heng	(appointed on 8.2.2005)
Kong Hwai Ming	(appointed on 8.2.2005)
Nolee Ashilin binti Mohammed Radzi	(appointed on 30.12.2004)
Lai Lee Yee	(First director; resigned on 28.2.2005)
Asrolnizam bin Mohamed Asmoai	(First director; resigned on 28.2.2005)

In accordance with Article 91 of the Company's Articles of Association, the directors who were appointed to the Board since the last Annual General Meeting, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM0.10 each			Balance as of 30.6.2005
	Balance as of date of appointment	Bought	Sold	
Shares in the Company				
Registered in the name of directors				
Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid	4,040,000	–	–	4,040,000
Teong Teck Lean	30,000	23,156,440	–	23,186,440
Leong Chee Tong	8,029,995	1,001,000	–	9,030,995
Lau Wing Tat	7,530,000	8,500,000	–	16,030,000
Liew Heng Heng	50,000	50,000	–	100,000
Kong Hwai Ming	5,000,000	1,264,000	–	6,264,000
Nolee Ashilin binti Mohammed Radzi	50,000	–	–	50,000
Indirect interest				
Registered in the name of GD Express Holdings (M) Sdn. Bhd.				
Teong Teck Lean	75,246,315	–	(23,156,440)	52,089,875
Registered in the name of GD Holdings International Ltd.				
Teong Teck Lean	43,000,000	–	–	43,000,000

By virtue of the above directors' interest in the shares of the Company, they are deemed to have beneficial interest in the shares of all the subsidiary companies to the extent the directors have their interests.

DIRECTORS' BENEFITS

Since the end of the previous financial period, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in the Financial Statements or the fixed salary of full-time employees of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions as disclosed in Notes 13 and 22 to the Financial Statements.

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

AUDITORS

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

Signed on behalf of the Board
in accordance with a resolution of the Directors,

TEONG TECK LEAN

LEONG CHEE TONG

Kuala Lumpur,
12 October 2005

REPORT OF THE AUDITORS

to the members of GD Express Carrier Berhad (Incorporated in Malaysia) and its subsidiary companies

We have audited the accompanying balance sheets as of 30 June 2005, the related statements of income, cash flows and changes in equity for the year then ended. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) the abovementioned financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board ("MASB") approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company as of 30 June 2005 and of the results and the cash flows of the Group and of the Company for the year ended on that day; and
 - (ii) the matters required by Section 169 of the Act to be dealt with in the financial statements and consolidated financial statements; and
- b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for these purposes.

Our auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

LAI CAN YIEW
2179/09/07 (J)
Partner

Petaling Jaya,
12 October 2005

INCOME STATEMENTS

for the year ended 30 June 2005

[With comparative figures for the financial period 7 October 2003 (date of incorporation) to 30 June 2004]

	Note	The Group	The Company	
		Year ended 30 June 2005 (12 months) RM	Year ended 30 June 2005 (12 months) RM	Period ended 30 June 2004 (9 months) RM
Revenue		16,210,931	–	–
Staff costs		(6,763,780)	–	–
Other operating expenses	5	(7,163,832)	(54,548)	(75,070)
Depreciation of property, plant and equipment	9	(1,210,250)	–	–
Other operating income	5	2,440,147	20,328	–
Profit/(Loss) from operations		3,513,216	(34,220)	(75,070)
Finance costs	6	(83,941)	–	–
Profit/(Loss) before tax		3,429,275	(34,220)	(75,070)
Income tax expense	7	(1,186,000)	–	–
Net profit/(loss) for the year/period		2,243,275	(34,220)	(75,070)
Earnings per ordinary share				
Basic (sen)	8	3.15		

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

BALANCE SHEETS

as of 30 June 2005

	Note	The Group		The Company	
		2005 RM	2005 RM	2004 RM	2004 RM
Property, plant and equipment	9	13,307,026	–	–	
Goodwill on consolidation	10	149,881	–	–	
Investment in subsidiary companies	11	–	17,074,881	–	
Current Assets					
Inventories - at cost		295,093	–	–	
Trade receivables	12	10,395,877	–	–	
Other receivables and prepaid expenses	12	3,764,733	30,000	–	
Deposits with licensed banks		10,941,647	9,955,000	–	
Cash and bank balances		933,537	91,135	2	
		26,330,887	10,076,135	2	
Current Liabilities					
Trade payables	13	3,014,793	–	–	
Other payables and accrued expenses	13	1,927,003	84,612	75,070	
Amount owing to subsidiary company	11	–	628,400	–	
Finance lease payables - current portion	14	8,016	–	–	
Hire-purchase payables - current portion	15	725,543	–	–	
Borrowings (secured) - current portion	16	238,803	–	–	
Tax liabilities		67,000	–	–	
		5,981,158	713,012	75,070	
Net Current Assets/(Liabilities)		20,349,729	9,363,123	(75,068)	

(Forward)

	Note	The Group	The Company	
		2005 RM	2005 RM	2004 RM
Non-Current and Deferred Liabilities				
Hire-purchase payables				
- non-current portion	15	662,810	-	-
Borrowings (secured)				
- non-current portion	16	1,165,127	-	-
Deferred tax liabilities	17	293,000	-	-
		(2,120,937)	-	-
Net Assets/(Liabilities)		31,685,699	26,438,004	(75,068)
Represented by:				
Issued capital	18	20,574,883	20,574,883	2
Reserves	19	11,110,816	5,863,121	(75,070)
Shareholders' Equity/(Capital Deficiency)		31,685,699	26,438,004	(75,068)

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

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2005

The Group	Note	Issued capital RM	Share premium RM	Reserve on consolidation RM	Unappropriated profit/ (Accumulated loss) RM	Total shareholders' equity / (Capital deficiency) RM
Balance as of 1 July 2004		2	–	–	(75,070)	(75,068)
Issue of shares	18	20,574,881	7,000,000	–	–	27,574,881
Share issue expenses		–	(1,027,589)	–	–	(1,027,589)
Acquisition of subsidiary companies		–	–	2,970,200	–	2,970,200
Net profit for the year		–	–	–	2,243,275	2,243,275
Balance as of 30 June 2005		20,574,883	5,972,411	2,970,200	2,168,205	31,685,699

The Company

Balance as of 7 October 2003 (date of incorporation)		2	–	–	–	2
Net loss for the period		–	–	–	(75,070)	(75,070)
Balance as of 30 June 2004		2	–	–	(75,070)	(75,068)
Issue of shares	18	20,574,881	7,000,000	–	–	27,574,881
Share issue expenses		–	(1,027,589)	–	–	(1,027,589)
Net loss for the year		–	–	–	(34,220)	(34,220)
Balance as of 30 June 2005		20,574,883	5,972,411	–	(109,290)	26,438,004

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

CASH FLOW STATEMENTS

for the year ended 30 June 2005

[With comparative figures for the financial period 7 October 2003 (date of incorporation) to 30 June 2004]

	The Group	The Company	
	Year ended 30 June 2005 (12 months) RM	Year ended 30 June 2005 (12 months) RM	Period ended 30 June 2004 (9 months) RM
CASH FLOWS FROM/(USED IN)			
OPERATING ACTIVITIES			
Profit/(Loss) before tax	3,429,275	(34,220)	(75,070)
Adjustments for:			
Depreciation of property, plant and equipment	1,210,250	–	–
Allowance for doubtful debts	240,000	–	–
Write off of trade receivables	161,206	–	–
Finance costs	83,941	–	–
Amortisation of goodwill	6,517	–	–
Unrealised loss on foreign exchange	1,099	–	–
Income arising from delivery and installation of customised front-end management system software	(1,500,000)	–	–
Gain on disposal of property, plant and equipment	(701,521)	–	–
Interest income	(31,587)	(20,328)	–
Operating Profit/(Loss) Before Working Capital Changes	2,899,180	(54,548)	(75,070)
(Increase)/Decrease in:			
Inventories	33,358	–	–
Trade receivables	(476,243)	–	–
Other receivables and prepaid expenses	807,232	(30,000)	–
Increase/(Decrease) in:			
Trade payables	110,018	–	–
Other payables and accrued expenses	(795,877)	9,542	75,070
Amount owing to subsidiary company	–	628,400	–
Cash Generated From Operations	2,577,668	553,394	–
Income tax paid	(1,100,000)	–	–
Net Cash From Operating Activities	1,477,668	553,394	–

(Forward)

CASH FLOW STATEMENTS (CONT'D)

	The Group Year ended 30 June 2005 (12 months)	The Company Year ended 30 June 2005 (12 months)	Period ended 30 June 2004 (9 months)
Note	RM	RM	RM
CASH FLOWS FROM/(USED IN)			
INVESTING ACTIVITIES			
Additions to property, plant and equipment (Note)	(1,086,683)	–	–
Acquisition of subsidiary companies*	2,217,871	–	–
Interest received	31,587	20,328	–
Net Cash From Investing Activities	1,162,775	20,328	–
CASH FLOWS FROM/(USED IN)			
FINANCING ACTIVITIES			
Proceeds from issue of shares	10,500,000	10,500,000	2
Share issue expenses incurred	(1,027,589)	(1,027,589)	–
Repayment of Islamic debt facility	(245,310)	–	–
Payments of:			
Hire–purchase payables	(238,416)	–	–
Finance lease payables	(15,005)	–	–
Finance costs paid	(83,941)	–	–
Net Cash From Financing Activities	8,889,739	9,472,411	2
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,530,182	10,046,133	2
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	2	2	–
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	21	11,530,184	2

Note: During the financial year, the Group acquired property, plant and equipment at an aggregate cost of RM5,936,059, of which RM549,376 and RM4,300,000 was acquired under hire-purchase arrangements and through the issue of shares, respectively. Cash payments by the Group for the acquisition of property, plant and equipment amounted to RM1,086,683.

(Forward)

*Analysis of assets and liabilities of subsidiary companies acquired are as follows:

	The Group 2005 RM
Property, plant and equipment	8,610,983
Inventories	328,451
Trade receivables	10,320,840
Other receivables and prepaid expenses	2,340,678
Cash and bank balances	1,172,291
Deposits with licensed banks	1,045,580
Deposits with licensed banks (pledged)	345,000
Trade payables	(2,903,676)
Other payables and accrued expenses	(2,647,810)
Hire-purchase payables	(1,077,393)
Finance lease payables	(23,021)
Bank borrowings (secured)	(1,649,240)
Tax liabilities	(188,000)
Deferred tax liabilities	(86,000)
Net assets acquired	15,588,683
Reserve on consolidation	(2,970,200)
Goodwill on consolidation	156,398
Total purchase consideration	12,774,881
Less : Purchase consideration satisfied through the issue of ordinary shares	(12,774,881)
Cash and bank balances	(1,172,291)
Deposits with licensed banks	(1,045,580)
Cash flows on acquisition, net of cash and cash equivalents acquired	(2,217,871)

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 MESDAQ Market of Bursa Malaysia Securities Berhad. During the financial year, the Company commenced operations in the investment holding.

The principal activities of the subsidiary companies acquired during the year are as disclosed in Note 11. Other than as disclosed above, there have been no significant changes in the nature of the principal activities of the Company and of the subsidiary companies during the financial year. The total number of employees of the Group and of the Company at the end of the financial year was 874 and Nil (Nil in 2004) respectively.

The Company's registered office is located at Level 5, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur.

The Company's principal place of business is located at No 19, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been approved by the Board of Directors for issuance on 12 October 2005.

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable MASB approved accounting standards in Malaysia.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention.

Revenue

Revenue of the subsidiary companies consists of income from the provision of express delivery services and is recognised when the services are rendered.

Basis of Consolidation

Subsidiary companies are the enterprises controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

Subsidiary companies are consolidated using the acquisition method of accounting. On acquisition, the assets and liabilities of the relevant subsidiary companies are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

All significant inter-company transactions and balances are eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Goodwill/Reserve on Consolidation

Goodwill on consolidation represents the excess of cost of investment over the fair values of the net assets of the subsidiary companies at the effective date of acquisition. Goodwill on consolidation is amortised evenly over a period of ten years.

Reserve on consolidation represents the excess of the fair values of the net assets of the subsidiary companies at the effective date of acquisition over the cost of the investment. Reserve on consolidation is not amortised.

Foreign Currency Conversion

Transactions in foreign currencies are converted into Ringgit Malaysia at exchange rates prevailing at the transaction dates or, where settlement has not yet been made at the end of the financial year, at approximate rates prevailing at that date. All foreign exchange gains or losses are currently taken up in the income statements.

The principal closing rate used in translation of foreign currency amounts is as follows:

	30.6.2005
<u>Foreign currency</u>	RM
1 Singapore Dollar	2.20

Employee Benefits

Wages, salaries, paid annual leaves, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Sick leaves are recognised when the absences occur.

The Group makes statutory contributions to approved provident fund and contributions are charged to the income statements. Once the contributions have been paid, there are no further payment obligations. The approved provident fund is a defined contribution plan.

Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

Impairment of Assets

The carrying amounts of property, plant and equipment, investment in subsidiary companies and goodwill on consolidation are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. All impairment losses are recognised in the income statements.

An impairment loss in respect of goodwill is not reversed unless the loss is caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of the event. In respect of other assets, an impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of other assets is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All reversals are recognised in the income statements.

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 any impairment losses.

Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements.

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:

Long leasehold land	Over the lease period of 57 years
Office equipment, furniture and fittings	12.5%
Computer hardware and software	20%
Tools and equipment	12.5%
Motor vehicles	20%
Renovation	20% - 33.3%

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, Plant and Equipment Acquired Under Hire-Purchase

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 the income statements to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Leased Assets

Assets under leases which in substance transfer the risks and benefits of ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding lease obligations are recorded at the fair value of the leased assets which approximates the present value of the minimum lease payments, at the beginning of the respective lease terms.

Finance costs which represent the difference between the total leasing commitments and the fair value of the assets acquired are charged to the income statements over the term of the relevant lease period so as to give a constant periodic rate of charge on the remaining balance of the obligation for each accounting period. All other leases which do not meet such criteria are classified as operating leases and the related rentals are charged to the income statements as incurred.

Inventories

Inventories, which consist of consumables, are stated at the lower of cost (determined on the 'first-in, first-out' basis) and net realisable value. Cost comprises the original cost of purchase plus incidental costs incurred in bringing the inventories to their present location and condition. 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.

Receivables

Trade and other receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when 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.

Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements. 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. SEGMENT REPORTING

No segment reporting is presented as the Group is principally engaged in the provision of express delivery services and operates in Malaysia.

5. OTHER OPERATING INCOME/(EXPENSES)

Included in other operating income/(expenses) are the following credits/(charges):

	The Group	The Company	
	Year ended	Year ended	Period ended
	30 June 2005	30 June 2005	30 June 2004
	(12 months)	(12 months)	(9 months)
	RM	RM	RM
Exceptional items:			
Income arising from delivery and installation of customised front-end management system software	1,500,000	–	–
Gain on disposal of property, plant and equipment	701,521	–	–
Interest income	31,587	20,328	–
Rental of premises	(620,091)	–	–
Allowance for doubtful debts	(240,000)	–	–
Directors' remuneration:			
Salaries and other emoluments	(199,000)	(3,600)	–
Fees	(55,000)	(40,000)	–
Write off of trade receivables	(161,206)	–	–
Auditors' remuneration	(47,000)	(20,000)	(1,000)
Amortisation of goodwill	(6,517)	–	–
Unrealised loss on foreign exchange	(1,099)	–	–

Staff costs include salaries, bonuses, contributions to Employees Provident Fund ("EPF") and all other staff related expenses. Contributions to EPF by the Group during the current financial year amounted to RM532,139.

6. FINANCE COSTS

	The Group
	Year ended
	30 June 2005
	(12 months)
	RM
Interest expense on:	
Hire-purchase	49,405
Islamic debt facility	28,036
Finance lease	6,500
	83,941

7. INCOME TAX EXPENSE

	The Group	The Company	
	Year ended 30 June 2005 (12 months)	Year ended 30 June 2005 (12 months)	Period ended 30 June 2004 (9 months)
	RM	RM	RM
Estimated current tax payable	979,000	–	–
Deferred tax (Note 17)	207,000	–	–
	1,186,000	–	–

A reconciliation of income tax expense applicable to profit/(loss) before tax at the applicable statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	The Group	The Company	
	Year ended 30 June 2005 (12 months)	Year ended 30 June 2005 (12 months)	Period ended 30 June 2004 (9 months)
	RM	RM	RM
Profit/(Loss) before tax	3,429,275	(34,220)	(75,070)
Tax at tax rate of 28% (28% for the period ended 30 June 2004)	960,197	(9,582)	(21,020)
Tax effect of expenses that are not deductible in determining taxable profit	225,803	9,582	21,020
Income tax expense	1,186,000	–	–

8. EARNINGS PER ORDINARY SHARE

The basic earnings per ordinary share of the Group has been calculated based on the Group's net profit for the year of RM2,243,275 and on the weighted average number of ordinary shares of RM0.10 each in issue of 71,211,187 during the year.

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

The Group	COST				At end of year RM
	At beginning of year RM	Arising from acquisition of subsidiary companies RM	Additions RM	Disposals RM	
Long leasehold land	–	2,611,083	–	–	2,611,083
Office equipment, furniture and fittings	–	1,469,803	278,258	–	1,748,061
Computer hardware and software	–	1,794,174	4,551,057	–	6,345,231
Tools and equipment	–	179,104	11,802	–	190,906
Motor vehicles	–	6,227,983	864,782	(1,053,540)	6,039,225
Renovation	–	1,259,501	230,160	–	1,489,661
	–	13,541,648	5,936,059	(1,053,540)	18,424,167

(Forward)

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Group	ACCUMULATED DEPRECIATION				NET BOOK VALUE	
	At beginning of year	Arising from acquisition of subsidiary companies	Charge for the year	Disposals	At end of year	At beginning of year
	RM	RM	RM	RM	RM	RM
Long leasehold land	–	32,456	20,367	–	52,823	2,558,260
Office equipment, furniture and fittings	–	579,953	75,787	–	655,740	1,092,321
Computer hardware and software	–	759,535	515,813	–	1,275,348	5,069,883
Tools and equipment	–	66,904	9,813	–	76,717	114,189
Motor vehicles	–	2,840,432	479,617	(1,023,774)	2,296,275	3,742,950
Renovation	–	651,385	108,853	–	760,238	729,423
	–	4,930,665	1,210,250	(1,023,774)	5,117,141	13,307,026

Included in property, plant and equipment of the Group are property, plant and equipment acquired under hire-purchase and finance lease arrangements with net book values of approximately RM2,787,000.

As of 30 June 2005, long leasehold land of a subsidiary company with net book value amounting to RM2,558,260 is pledged to a licensed bank for credit facilities granted to the subsidiary company as disclosed in Note 16. The title to the said long leasehold land has not been issued to the said subsidiary company.

Included in the cost of property, plant and equipment of the Group is an amount of approximately RM802,000 representing fully depreciated property, plant and equipment which are still in use by the Group.

10. GOODWILL ON CONSOLIDATION

	The Group 2005 RM
At beginning of year	–
Arising from acquisition of subsidiary companies	156,398
Amortisation of goodwill	(6,517)
At end of year	149,881

11. INVESTMENT IN SUBSIDIARY COMPANIES

Investment in subsidiary companies consists of:

	The Company	
	2005 RM	2004 RM
Unquoted shares - at cost	17,074,881	–

Amount owing to subsidiary company, which arose mainly from unsecured advances and payments on behalf, is interest-free and has no fixed repayment terms.

Details of subsidiary companies, all incorporated in Malaysia, are as follows:

Subsidiary Companies	Effective Equity Interest		Principal Activities
	2005 %	2004 %	
Direct			
GD Express Sdn. Bhd.	100	–	Provision of express delivery services
GD Technosystem Sdn. Bhd.	100	–	Licensing of software to related company
Indirect			
GD Venture (M) Sdn. Bhd.	100	–	Provision of transportation services to related company

11. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

Post-acquisition results of subsidiary companies acquired are as follows:

	The Group 2005 RM
Revenue	16,210,931
Staff costs	(6,763,780)
Other operating expenses	(7,109,286)
Depreciation of property, plant and equipment	(1,210,250)
Other operating income	2,419,821
Profit from operations	3,547,436
Finance costs	(83,941)
Profit before tax	3,463,495
Income tax expense	(1,186,000)
Increase in Group's profit attributable to shareholders	2,277,495

(Forward)

11. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

The effects of these acquisitions on the financial position of the Group as of year end are as follows:

	The Group 2005 RM
Property, plant and equipment	13,307,026
Goodwill on consolidation	149,881
Inventories	295,093
Trade receivables	10,395,877
Other receivables and prepaid expenses	3,734,733
Deposits with licensed banks	986,647
Cash and bank balances	842,402
Trade payables	(3,014,793)
Other payables and accrued expenses	(1,842,391)
Hire-purchase payables	(1,388,354)
Finance lease payables	(8,016)
Bank borrowings (secured)	(1,403,930)
Tax liabilities	(67,000)
Deferred tax liabilities	(293,000)
Group's share of net assets	21,694,175

12. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables consist of:

	The Group 2005 RM
Trade receivables	12,123,396
Less: Allowance for doubtful debts	(1,727,519)
	10,395,877

Trade receivables of the Group represent amounts receivable for the provision of express delivery services. The credit period granted to customers is 30 days.

Other receivables and prepaid expenses consist of:

	The Group 2005 RM	The Company 2005 RM	2004 RM
Other receivables	2,377,940	30,000	–
Refundable deposits	862,268	–	–
Prepaid expenses	524,525	–	–
	3,764,733	30,000	–

Included in other receivables of the Group is an amount of RM2,231,287 arising from the disposal of property, plant and equipment and the delivery and installation of customised front-end management system software. The said amount is interest-free and has no fixed repayment terms.

13. 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.

The currency exposure profile of trade payables is as follows:

	The Group 2005 RM
Analysis of trade payables by currency:	
Ringgit Malaysia	2,998,395
Singapore Dollar	16,398
	3,014,793

Other payables and accrued expenses consist of:

	The Group 2005 RM	The Company	
		2005 RM	2004 RM
Other payables	322,902	39,012	75,070
Accrued expenses	1,604,101	45,600	–
	1,927,003	84,612	75,070

Included in other payables of the Group is an amount of RM58,373 owing to GDX Private Limited, a company incorporated in the Republic of Singapore. Certain directors of the Company namely Mr. Teong Teck Lean and Mr. Leong Chee Tong are also directors of the said company and have substantial financial interest. The said amount, which arose from the provision of software training and maintenance services to the Group amounted to RM216,000 during the year, is interest-free and has no fixed repayment terms.

The directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms negotiated between the parties.

14. FINANCE LEASE PAYABLES

	The Group 2005	
	Minimum lease payments RM	Present value of minimum lease payments RM
Amounts payable under finance lease:		
Within one year	9,101	8,016
In the second to fifth years inclusive	–	–
	9,101	8,016
Less: Future finance charges	(1,085)	NA
Present value of lease payables	8,016	8,016
Less: Amount due within 12 months (shown under current liabilities)		(8,016)
Non-current portion		–

15. HIRE-PURCHASE PAYABLES

	The Group 2005 RM
Total outstanding	1,565,111
Less: Interest-in-suspense	(176,758)
Principal outstanding	1,388,353
Less: Amount due within 12 months (shown under current liabilities)	(725,543)
Non-current portion	662,810
The non-current portion is payable as follows:	
Within 1 - 2 years	503,209
Within 2 - 5 years	159,601
	662,810

The interest rates implicit in these hire-purchase obligations range from 3.50% to 4.90% per annum.

16. BORROWINGS - SECURED

	The Group 2005 RM
Total outstanding	1,403,930
Less: Amount due within 12 months (shown under current liabilities)	(238,803)
Non-current portion	1,165,127
<hr/>	
The non-current portion of the Islamic debt facility is repayable as follows:	
Within 1 - 2 years	265,694
Within 2 - 5 years	899,433
	1,165,127
<hr/>	

The Al Bai Bithaman Ajil Islamic debt facility is obtained from a local licensed bank and bears a profit rate at 4.23% per annum.

As of 30 June 2005, the Group has unutilised bank overdraft and other credit facilities totalling RM545,000 obtained from a local licensed bank. The bank overdraft and other credit facilities bear interest at rates ranging from 7.25% to 7.50% per annum.

Of the total bank overdraft and other credit facilities, RM345,000 is secured by the fixed deposits of the Group amounting to RM345,000. The remaining balance of the bank overdraft and other credit facilities together with the Islamic debt facility are secured by the following:

- (a) Long leasehold land of a subsidiary company as disclosed in Note 9; and
- (b) Joint and several guarantee by certain directors of the Company.

17. DEFERRED TAX LIABILITIES

The movement for the year in the deferred tax liabilities is as follows:

	The Group 2005 RM
At beginning of year	–
Arising from acquisition of subsidiary companies	86,000
Transfer from income statement (Note 7)	207,000
At end of year	293,000

The deferred tax liabilities represent the tax effects of the following:

Temporary differences arising from:	
Property, plant and equipment	707,000
Trade receivables	(414,000)
	293,000

18. SHARE CAPITAL

Share capital is represented by:

	The Group and The Company	
	2005	2004
	RM	RM
Authorised:		
500,000,000 ordinary shares of RM0.10 each as of 30 June 2005;		
50,000,000 ordinary shares of RM1.00 each as of 30 June 2004	50,000,000	50,000,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At beginning of year:		
2 as of 1 July 2004 and 2003	2	2
Issued during the year:		
205,748,810 ordinary shares of RM0.10 each in 2005; Nil in 2004	20,574,881	–
At end of year:		
205,748,830 ordinary shares of RM0.10 each as of 30 June 2005;		
2 ordinary shares of RM1.00 each as of 30 June 2004	20,574,883	2

As approved by the shareholders at an Extraordinary General Meeting held on 8 February 2005, the issued and paid-up share capital of the Company was increased from RM2.00, comprising 2 ordinary shares of RM1.00 each, to RM20,574,883, comprising 205,748,830 ordinary shares of RM0.10 each, by way of:

- a. An issue of 12,774,781 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.00 per share to finance the acquisition of 17,300,000 ordinary shares of RM1.00 each, representing 100% equity interest in GDSB, for a total purchase consideration of RM12,774,781;
- b. An issue of 100 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.00 per share to finance the acquisition of 100 ordinary shares of RM1.00 each, representing 100% equity interest in GD Tech, for a total purchase consideration of RM100;
- c. An issue of 4,300,000 new ordinary shares of RM1.00 in the Company at an issue price of RM1.00 per share to finance the acquisition of IT Software System;
- d. A share split for the entire issued and paid-up share capital of the Company, comprising 17,074,883 ordinary shares of RM1.00 each into 170,748,830 ordinary shares of RM0.10 each; and
- e. A public issue of 35,000,000 new ordinary shares of RM0.10 each in the Company at an issue price of RM0.30 per share in conjunction with the listing of the entire issued and paid-up capital of the Company on the MESDAQ Market of Bursa Malaysia Securities Berhad.

The resulting share premium of RM7,000,000 arising from the issue of shares as mentioned in (e) above has been credited to the share premium account.

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

19. RESERVES

	The Group 2005 RM	The Company 2005 2004 RM RM	
<i>Non-distributable:</i>			
Share premium	5,972,411	5,972,411	–
Reserve on consolidation	2,970,200	–	–
	8,942,611	5,972,411	–
<i>Distributable:</i>			
Unappropriated profit/(Accumulated loss)	2,168,205	(109,290)	(75,070)
Total	11,110,816	5,863,121	(75,070)

Share premium

Share premium arose from the public issue of 35,000,000 new ordinary shares at a premium of RM0.20 per ordinary share, net of share issue expenses of RM1,027,589.

20. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The operations of the Group are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk. The Group has taken measures to minimise its exposure to risks and/or costs associated with the financing, investing and operating activities.

i. Foreign currency risk

The Group is exposed to currency risk as a result of foreign currency transactions arising from normal trading activities.

ii. Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on deposits with licensed banks and interest bearing borrowings. Interest rates of finance lease payables and hire-purchase payables are fixed at the inception of the finance lease and hire-purchase arrangements. The interest/profit rates of the finance lease payables, hire-purchase payables, Islamic debt facility and deposits with licensed banks are disclosed in Notes 14, 15, 16 and 21, respectively.

iii. Credit risk

The Group is exposed to credit risk mainly from trade receivables. The Group extends credit to its customers based upon careful evaluation of the customers' financial condition and credit history. The Group also ensures a large number of customers so as to limit high credit concentration in a customer or customers from a particular market.

20. FINANCIAL INSTRUMENTS (Cont'd)

iv. Liquidity risk

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

Management believes that the Group's exposure on credit risk relating to deposits with licensed banks and bank balances are limited as they are placed with credit worthy financial institutions.

v. Cash flow risk

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Financial Assets

The principal financial assets of the Group and of the Company are cash and bank balances, deposits with licensed banks, and trade and other receivables.

The accounting policies applicable to the major financial assets are as disclosed in Note 3.

Financial Liabilities and Equity Instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Significant financial liabilities of the Group and of the Company include trade and other payables, hire-purchase payables and borrowings, which are stated at their nominal values.

The financial liabilities of the Company also include amount owing to subsidiary company, which are stated at their nominal values.

Islamic debt facility is recorded at the proceeds received. Finance charges are accounted for on an accrual basis. Equity instruments are recorded at the proceeds received net of direct issue costs.

(Forward)

20. FINANCIAL INSTRUMENTS (Cont'd)

Fair Values

The carrying amounts and the estimated fair values of the financial instruments of the Group as of 30 June 2005 are as follows:

	The Group 2005	
	Carrying Amount RM	Fair Value RM
<i>Financial Liabilities</i>		
Hire-purchase payables (Note 15)	1,388,353	1,424,976
Islamic debt facility (Note 16)	1,403,930	1,518,937

Cash and cash equivalents, trade and other receivables, trade and other payables and inter-company indebtedness

The carrying amounts approximate fair values because of the short maturity period of these instruments.

Hire-purchase payables and Islamic debt facility

The fair value of hire-purchase payables and Islamic debt facility are estimated using discounted cash flow analysis based on current borrowing/financing rates for similar type of borrowing/financing arrangements.

21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	The Group 2005 RM	The Company 2005 RM	2004 RM
Deposits with licensed banks	10,941,647	9,955,000	–
Cash and bank balances	933,537	91,135	2
	11,875,184	10,046,135	2
Less: Non cash and cash equivalents:			
Deposits pledged with a licensed bank (Note 16)	(345,000)	–	–
	11,530,184	10,046,135	2

Deposits with licensed banks earned interest at rates ranging from 3.00% to 4.00% per annum.

22. SIGNIFICANT CORPORATE EVENTS

1. On 17 May 2005, the entire issued and paid-up share capital of the Company, comprising 205,748,830 ordinary shares of RM0.10 each, was quoted on the MESDAQ Market of Bursa Malaysia Securities Berhad. The Company's listing scheme involved, inter-alia, the following:
 - a. Acquisition of 17,300,000 ordinary shares of RM1.00 each in GD Express Sdn Bhd ("GDSB"), representing the entire equity interest in GDSB, for a purchase consideration of RM12,774,781 fully satisfied by the issuance of 12,774,781 new ordinary shares of RM1.00 each at par in the Company;
 - b. Acquisition of 100 ordinary shares of RM1.00 each in GD Technosystem Sdn Bhd ("GDTech"), representing the entire equity interest in GDTech, for a purchase consideration of RM100 fully satisfied by the issuance of 100 new ordinary shares of RM1.00 each at par in the Company;
 - c. Acquisition of IT Software System by the Company from GD Holdings International Ltd., a company in which certain directors of the Company, Mr. Teong Teck Lean and Mr. Leong Chee Tong are also directors and Mr. Teong Teck Lean has substantial financial interest, for a purchase consideration of RM4,300,000 fully satisfied by the issuance of 4,300,000 new ordinary shares of RM1.00 each at par in the Company. Subsequently, the said IT Software System was injected into GDTech by the Company for a consideration of RM4,300,000 fully satisfied by the issuance of 4,300,000 new ordinary shares of RM1.00 each at par in GDTech;
 - d. Share split for the entire issued and paid-up share capital of the Company, comprising 17,074,883 ordinary shares of RM1.00 each into 170,748,830 ordinary shares of RM0.10 each;
 - e. Public issue of 35,000,000 new ordinary shares of RM0.10 each at an issue price of RM0.30 per share payable in full on application comprising:
 - i. 2,000,000 new ordinary shares of RM0.10 each available for application by the Malaysian public;
 - ii. 5,000,000 new ordinary shares of RM0.10 each available for application by eligible employees and executive directors of the Company and its subsidiary companies; and
 - iii. 28,000,000 new ordinary shares of RM0.10 each by way of private placement to identified institutions/investors.
2. On 12 October 2005, the Company announced the following proposed corporate exercise:
 - a. Proposed private placement of up to 20,574,883 new ordinary shares of RM0.10 each in the Company (or up to 25,718,604 new ordinary shares in the Company if the proposed bonus issue is implemented before the proposed private placement), representing 10% of the issued and paid-up share capital of the Company at an issue price to be determined and announced later; and
 - b. Proposed bonus issue of up to 56,580,928 new ordinary shares in the Company (or up to 51,437,208 new ordinary shares if the proposed bonus issue is implemented before the proposed private placement), to be credited as fully paid-up, on the basis of one new ordinary share for every four existing shares held in the Company on an entitlement date to be determined and announced later.

The abovementioned proposed corporate exercise is subject to the approvals of the relevant authorities and shareholders of the Company.

23. CONTINGENT LIABILITY - UNSECURED

The Group is involved in a litigation filed by a former business partner for alleged failure by a subsidiary company to erect a signboard. The business partner is also claiming for loss of business due to the subsidiary company's alleged encroachment in the area of service exclusively given by the subsidiary company to the business partner and the refund of the franchise fee paid to the subsidiary company. The total amount claimed by the business partner is RM966,000.

The Directors of the Company, after consultation with the lawyers, are of the view that the potential liability is not probable of realisation and, accordingly, the amount has not been provided for in the financial statements.

STATEMENT BY DIRECTORS

The directors of **GD EXPRESS CARRIER BERHAD** state that, in their opinion, the accompanying balance sheets and statements of income, cash flows and changes in equity are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable MASB approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of 30 June 2005 and of the results of their businesses and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors,

TEONG TECK LEAN

LEONG CHEE TONG

Kuala Lumpur,
12 October 2005

DECLARATION BY OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **LAM YEW KWAN**, the officer primarily responsible for the financial management of **GD EXPRESS CARRIER BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets and statements of income, cash flows and changes in equity, are, in my opinion, 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.

Subscribed and solemnly declared by)
the abovenamed **LAM YEW KWAN** at)
KUALA LUMPUR this 12th day of October 2005.)

Before me,

MOHAMMAD AZLAN SHAH B. AZHARUL ABIDIN
COMMISSIONER FOR OATHS

ANALYSIS OF SHAREHOLDINGS

as at 28 October 2005

Authorised Share Capital	:	RM50,000,000
Issued & Paid-up Capital	:	RM20,574,883
Class of Shares	:	Ordinary share of RM0.10 each

DISTRIBUTION OF SHAREHOLDINGS

CATEGORY	NO. OF HOLDERS	%	NO. OF SHARES	%
Less than 100	2	0.64	70	0.00
100 – 1,000	61	19.49	56,050	0.03
1,001 – 10,000	138	44.09	707,200	0.34
10,001 – 100,000	56	17.89	2,234,500	1.09
100,001 to less than 5% of issued shares	52	16.61	68,444,695	33.26
5% and above of issued shares	4	1.28	134,306,315	65.28
TOTAL	313	100.00	205,748,830	100.00

DIRECTORS' SHAREHOLDING

NAME OF DIRECTORS	← NO. OF SHARES →			
	DIRECT INTEREST	%	DEEMED INTEREST	%
Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid	3,240,000	1.57	2,000,000 ⁽ⁱ⁾	0.97
Teong Teck Lean	23,186,440	11.27	95,089,875 ⁽ⁱⁱ⁾	46.22
Lau Wing Tat	16,030,000	7.79	–	–
Kong Hwai Ming	6,858,000	3.33	–	–
Leong Chee Tong	9,030,995	4.39	–	–
Liew Heng Heng	100,000	0.05	–	–

- Deemed interest by virtue of his substantial shareholdings in Essem Capital Sdn. Bhd.
- Deemed interest by virtue of his substantial shareholdings in GD Express Holdings (M) Sdn Bhd (52,089,875 ordinary shares) and GD Holdings International Limited (43,000,000 ordinary shares).

SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

NAMES OF SHAREHOLDERS	SHARES	%
GD Express Holdings (M) Sdn Bhd	52,089,875	25.32
GD Holdings International Limited	43,000,000	20.90
Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account For Teong Teck Lean)	23,156,440	11.25
Lau Wing Tat	16,030,000	7.79

THIRTY (30) LARGEST SHAREHOLDERS

NAME OF SHAREHOLDERS	NO. OF SHARES	%
1. GD Express Holdings (M) Sdn Bhd	52,089,875	25.32
2. GD Holdings International Limited	43,000,000	20.90
3. Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account For Teong Teck Lean)	23,156,440	11.25
4. Lau Wing Tat	16,030,000	7.79
5. Kwok Nguk Mooi	7,689,000	3.74
6. Leong Chee Tong	6,569,062	3.19
7. Kong Hwai Ming	5,000,000	2.43
8. Ding Mei Siang	4,640,000	2.26
9. Agnes Chan Wai Ching	3,528,000	1.71
10. Ahmad Sufian @ Qurnain Bin Abdul Rashid	3,240,000	1.57
11. OSK Nominees (Asing) Sdn Bhd (Cheng Kwee Kiang)	3,000,000	1.46
12. Loi Siew Hoong	2,920,000	1.42
13. Bumiputra-Commerce Nominees (Asing) Sdn Bhd (Pledged Securities Account For Leong Chee Tong)	2,461,933	1.20
14. Ding Ah Dieh @ Ding Pik Cing	2,325,300	1.13
15. Mardiana bt Mohamed Zain	2,100,000	1.02
16. Essem Capital Sdn Bhd	2,000,000	0.97
17. HDM Nominees (Asing) Sdn Bhd (Phillip Securities Pte Ltd For Kong Hwai Ming)	1,858,000	0.90
18. Chia Phay Cheng	1,570,000	0.76
19. Yap Kian Peng	1,499,000	0.73
20. HDM Nominees (Asing) Sdn Bhd (DBS Vickers Secs (S) Pte Ltd For Tan Piak Hwee Anthony)	1,339,700	0.65
21. Citigroup Nominees (Asing) Sdn Bhd (CBHK PBGHK For Cheng Kwee Kiang)	1,338,000	0.65
22. HDM Nominees (Asing) Sdn Bhd (UOB Kay Hian Pte Ltd For Leow Gek Yan)	1,250,000	0.61
23. HDM Nominees (Asing) Sdn Bhd (Phillip Securities Pte Ltd For Lau Chen Hong)	1,213,000	0.59
24. HDM Nominees (Asing) Sdn Bhd (UOB Kay Hian Pte Ltd For Soong Siew Li)	1,059,500	0.51
25. Ma Yuk Ping Winnie	933,000	0.45
26. Chan Moon Fook	870,000	0.42
27. Chai Koh Khi	800,700	0.39
28. Chin Chee Sue	600,000	0.29
29. HDM Nominees (Asing) Sdn Bhd (UOB Kay Hian Pte Ltd For Leow Geok Hong)	583,000	0.28
30. Azizan bin Abd Rahman	500,000	0.24

GROUP PROPERTY PARTICULARS

Listed below are the particulars of the property referred to in Note 9 to the Financial Statements.

No	Location of Property	Brief Description	Approximate Land Area (sq. ft.)	Tenure	Approximate Age of Building (years)	Net Book Value as at 30.6.2005
1)	21, Jalan Tandang 46050 Petaling Jaya Selangor DE	Land with temporary structures	29,757	99 Years Lease Expiring 6 Nov 2057	40 Years	2,558,260

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting of the Company will be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 28 December 2005 at 3.00 p.m. for the following purposes:

AGENDA

- a. To receive the Audited Financial Statements for the financial year ended 30 June 2005 and the Reports of the Directors and Auditors thereon. • Resolution 1
- b. To approve the payment of Directors' fees in respect of the financial year ended 30 June 2005. • Resolution 2
- c. To re-elect the following directors who retire pursuant to Article 91 of the Company's Articles of Association:
 - i. Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid • Resolution 3
 - ii. Mr Leong Chee Tong • Resolution 4
 - iii. Mr Lau Wing Tat • Resolution 5
 - iv. Mr Kong Hwai Ming • Resolution 6
 - v. Ms Liew Heng Heng • Resolution 7
 - vi. Ms Nolee Ashilin binti Mohammed Radzi • Resolution 8
 - vii. Mr Teong Teck Lean • Resolution 9
- d. To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. • Resolution 10
- e. As Special Business:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965 • Resolution 11

"**THAT** subject always to the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued capital of the Company at the time of issue and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be 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."

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

• **Resolution 12**

"**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 2.2 of the Circular to the Shareholders dated 7 December 2005, 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 of Shareholders' Mandate."

By Order of the Board
GD EXPRESS CARRIER BERHAD

Nuruluyun Binti Abdul Jabar (MIA 9113)
Woo Ying Pun (MAICSA 7001280)

Company Secretaries
7 December 2005

Notes:

1. A member of the company who is entitled to attend and vote at this meeting is entitled to appoint a proxy or in the case of a corporation a duly authorised representative to attend and to vote in his stead.
2. When a member appoints two or more proxies, the appointments shall be invalid unless the proportion of the holding to be represented by each proxy is specified.
3. A proxy may but need not be a member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply.
4. If the appointer is a corporation, the Form of Proxy must be executed under the common seal or the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 17, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur not less than 48 hours before the time set for the holding of the meeting or adjourned meeting.

Explanatory Notes On Special Business

- (a) Resolution Pursuant to the Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965.

The proposed Ordinary Resolution 11 above, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, authority to allot and issue shares in the Company up to an aggregate amount not exceeding in total 10% of the issued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority unless revoked or varied at a General Meeting will expire at the next Annual General Meeting.

- (b) Resolution Pursuant to the Proposed of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature. The proposed Ordinary Resolution 12 above, if passed, will enable the Company and its subsidiaries ("the Group") to continue entering into the specified Recurrent Related Party Transactions as set out in Section 2.2 of the Circular to Shareholders dated 7 December 2005 with the specified classes of the Related Parties mentioned therein which are necessary for the Group's day to day operations.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1) Directors who are standing for re-election at the Second Annual General Meeting of the Company are:

- | | |
|--|----------------|
| i. Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid | (Resolution 3) |
| ii. Mr Leong Chee Tong | (Resolution 4) |
| iii. Mr Lau Wing Tat | (Resolution 5) |
| iv. Mr Kong Hwai Ming | (Resolution 6) |
| v. Ms Liew Heng Heng | (Resolution 7) |
| vi. Ms Nolee Ashilin binti Mohammed Radzi | (Resolution 8) |
| vii. Mr Teong Teck Lean | (Resolution 9) |

The information of the Directors standing for re-election is set out in the Directors' Profile appearing on pages 20 and 22 of the Annual Report.

2) Details of attendance of Directors at Board Meeting

There was one (1) Board of Directors' Meeting held during the financial year ended 30 June 2005.

The details of attendance of Directors are set out in the Corporate Government Statement appearing on page 27 of the Annual Report.

3) Place, date and time of the Second Annual General Meeting

The Second Annual General Meeting of the Company will be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 28 December 2005 at 3.00p.m.

GD Express Carrier Berhad(Company No: 630579-A)
(Incorporated in Malaysia)**PROXY FORM GDEX**

Number of Shares Held

*I/We _____
(FULL NAME IN BLOCK LETTERS & NRIC NO.)of _____
(ADDRESS)being a member(s) of GD Express Carrier Berhad hereby appoint *Mr/Ms _____
(FULL NAME IN BLOCK LETTERS & NRIC NO.)of _____
(ADDRESS)

(the next name and address should be completed where it is desired to appoint two/more proxies) _____

*Mr/Ms _____
(FULL NAME IN BLOCK LETTERS & NRIC NO.)of _____
(ADDRESS)

or failing *him/*them, the Chairman of the Meeting as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Second Annual General Meeting of the Company to be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 28 December 2005 at 3.00 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any item arising not summarized below, *my/our *proxy/proxies may vote or abstain from voting at his/her discretion.

No. Resolutions	For#	Against#
1. To receive the Audited Financial Statements for the financial year ended 30 June 2005 and the Reports of the Directors and Auditors thereon		
2. To approve the payment of Directors' fees in respect of the financial year ended 30 June 2005		
3. To re-elect Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid		
4. To re-elect Mr Leong Chee Tong		
5. To re-elect Mr Lau Wing Tat		
6. To re-elect Mr Kong Hwai Ming		
7. To re-elect Ms Liew Heng Heng		
8. To re-elect Ms Nolee Ashilin binti Mohammed Radzi		
9. To re-elect Mr Teong Teck Lean		
10. To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company for the ensuing year		
11. To approve the authority to allot shares pursuant to Section 132D of the Companies Act, 1965		
12. To approve mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Please indicate your vote "For" or "Against" with an "X" within the box provided.
* Delete if not applicable

Signed this _____ day of _____ 2005

Notes:

1. A member of the company who is entitled to attend and vote at this meeting is entitled to appoint a proxy or in the case of a corporation a duly authorised representative to attend and to vote in his stead.
2. When a member appoints two or more proxies, the appointments shall be invalid unless the proportion of the holding to be represented by each proxy is specified.
3. A proxy may but need not be a member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply.
4. If the appointer is a corporation, the Form of Proxy must be executed under the common seal or the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 17, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur not less than 48 hours before the time set for the holding of the meeting or adjourned meeting.

Signature/Common Seal of Shareholder(s)

FOLD

affix
postage
here

The Company Secretary

GD EXPRESS CARRIER BERHAD (630579-A)

Level 17, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, 50490 Kuala Lumpur
MALAYSIA

FOLD



Our Stations

HEADQUARTERS	Johor Bahru 07-221 5578	Melaka 06-281 8033	Sungai Besi 03-9221 0193	Tawau 089-77 4173	Mukah 084-87 2679
Headquarters (PJ) 03-7787 6668	Kampar 05-465 9448	Mentakab 09-277 2100	Subang Jaya 03-5631 0688		Sarikei 084-65 4108
Sales Office (KL) 03-2141 5313	Kajang 03-8737 0988	Mersing 07-799 6868	Sungai Buloh 03-7846 1226	SARAWAK	
PENINSULA MALAYSIA	Kerteh 09-826 6514	Muar 06-986 0635	Tangkak 06-978 5018	Bau 082-76 2419	Serian 082-87 4589
Alor Gajah 06-556 3088	Kemaman 09-858 3091	Parit Buntar 05-717 4494	Tampin 06-441 8548	Betong 083-47 2789	Sri Aman 083-32 7288
Alor Setar 04-734 9636	Kluang 07-774 3362	Pekan 09-422 7373	Taiping 05-805 2401	Bintulu 086-31 8871	Sibu 084-21 8063
Batu Pahat 07-434 6033	Kota Bharu 09-743 1800	Penang 04-227 9358	Tanjung Malim 05-459 9210	Bintagor 084-69 3497	LABUAN
Bentong 09-223 5099	Kuantan 09-567 2033	Port Klang 03-3165 8207	Teluk Intan 05-623 4635	Kanowit 084-75 2306	Labuan 087-41 4161
Butterworth 04-398 3930	Kuala Terengganu 09-620 3006	Segamat 07-932 8033	SABAH	Kapit 084-79 6707	
Cameron Highland 05-491 5295	Kuala Krai 09-966 3546	Senai 07-663 8578	Keningau 087-33 6631	Kuching 082-23 2306	
Dungun 09-848 1243	Kuala Lipis 09-312 2697	Seremban 06-767 0121	Kudat 088-61 1490	Lundu 082-73 5637	
Gemas 07-948 1266	Kuala Selangor 03-3289 4727	Sg. Petani 04-421 5580	Kota Kinabalu 088-25 9953	Lawas 085-28 5369	
Gua Musang 09-912 2046	Langkawi 04-966 0160	Shah Alam 03-5122 9166	Lahad Datu 089-88 6616	Limbang 085-21 2521	
Ipoh 05-241 6678	Maran 019-926 9683	Sitiawan 05-691 0372	Sandakan 089-22 2475	Marudi 085-75 6693	
				Miri 085-43 4148	

Our Partners' Addresses

Deloitte KassimChan
Chartered Accountants
Level 19, Uptown 1, 1, Jalan SS21/58
Damansara Uptown, 47400 Petaling Jaya
Tel: 03-7723 6500
Fax: 03-7726 3986

Malayan Banking Berhad
11, Jalan 51A/222
46100 Petaling Jaya
Tel: 03-7958 4103
Fax: 03-7956 2860

Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi-Purpose
Capital Square, No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel: 03-2721 2222
Fax: 03-2721 2530

Lee & May
Advocates & Solicitors
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

OSK Securities Berhad
19th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel: 03-2162 8934
Fax: 03-2164 9684

GD EXPRESS CARRIER BERHAD (630579-A)

ERRATA

With reference to the 2005 Annual Report of GD EXPRESS CARRIER BERHAD issued on 7th December 2005, kindly be informed that amendments have been made to Page 44, Page 77 and Page 78 respectively as below:-

DIRECTORS' INTERESTS (Page 44)

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM0.10 each			
	Balance as of date of appointment	Bought	Sold	Balance as of 30.6.2005
Shares in the Company				
Registered in the name of directors				
Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid	4,040,000	-	-	4,040,000
Teong Teck Lean	30,000	-	-	30,000
Leong Chee Tong	8,029,995	1,001,000	-	9,030,995
Lau Wing Tat	7,530,000	8,500,000	-	16,030,000
Liew Heng Heng	50,000	50,000	-	100,000
Kong Hwai Ming	5,000,000	1,264,000	-	6,264,000
Nolee Ashilin binti Mohammed Radzi	50,000	-	-	50,000
Indirect interest				
Registered in the name of GD Express Holdings (M) Sdn. Bhd.				
Teong Teck Lean	75,246,315	-	-	75,246,315
Registered in the name of GD Holdings International Ltd.				
Teong Teck Lean	43,000,000	-	-	43,000,000

By virtue of the above directors' interest in the shares of the Company, they are deemed to have beneficial interest in the shares of all the subsidiary companies to the extent the directors have their interests.

DIRECTORS' SHAREHOLDING (Page 77)

Name of Directors	No. of Shares			
	Direct Interest	%	Deemed Interest	%
Dato' Ahmad Sufian @ Qurnain Bin Abdul Rashid	3,240,000	1.57	2,000,000 (i)	0.97
Teong Teck Lean	30,000	0.01	118,246,315 (ii)	57.47
Lau Wing Tat	16,030,000	7.79	-	-
Kong Hwai Ming	6,858,000	3.33	-	-
Leong Chee Tong	9,030,995	4.39	-	-
Liew Heng Heng	100,000	0.05	-	-

(i) Deemed interest by virtue of his substantial shareholdings in Essem Capital Sdn. Bhd.

(ii) Deemed interest by virtue of his substantial shareholdings in GD Express Holdings (M) Sdn Bhd (75,246,315 ordinary shares) and GD Holdings International Limited (43,000,000 ordinary shares)

SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE) (Page 77)

NAME OF SHAREHOLDERS	SHARES	%
GD Express Holdings (M) Sdn Bhd	52,089,875	25.32
GD Holdings International Limited	43,000,000	20.90
Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account For Teong Teck Lean)*	23,156,440	11.25
Lau Wing Tat	16,030,000	7.79

* The shares are ultimately owned by GD Express Holdings (M) Sdn Bhd.

THIRTY (30) LARGEST SHAREHOLDERS (Page 78)

	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1.	GD Express Holdings (M) Sdn Bhd	52,089,875	25.32
2.	GD Holdings International Limited	43,000,000	20.90
3.	Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account For Teong Teck Lean)*	23,156,440	11.25
4.	Lau Wing Tat	16,030,000	7.79
5.	Kwok Nguk Mooi	7,689,000	3.74
6.	Leong Chee Tong	6,569,062	3.19
7.	Kong Hwai Ming	5,000,000	2.43
8.	Ding Mei Siang	4,640,000	2.26
9.	Agnes Chan Wai Ching	3,528,000	1.71
10.	Ahmad Sufian @ Qurnain Bin Abdul Rashid	3,240,000	1.57
11.	OSK Nominees (Asing) Sdn Bhd (Cheng Kwee Kiang)	3,000,000	1.46
12.	Loi Siew Hoong	2,920,000	1.42
13.	Bumiputra-Commerce Nominees (Asing) Sdn Bhd (Pledged Securities Account For Leong Chee Tong)	2,461,933	1.20
14.	Ding Ah Dieh @ Ding Pik Cing	2,325,300	1.13
15.	Mardiana bt Mohamed Zain	2,100,000	1.02
16.	Essem Capital Sdn Bhd	2,000,000	0.97
17.	HDM Nominees (Asing) Sdn Bhd (Philip Securities Pte Ltd For Kong Hwai Ming)	1,858,000	0.90
18.	Chia Phay Cheng	1,570,000	0.76
19.	Yap Kian Peng	1,499,000	0.73
20.	HDM Nominees (Asing) Sdn Bhd (DBS Vickers Secs (S) Pte Ltd For Tan Piak Hwee Anthony)	1,339,700	0.65
21.	Citigroup Nominees (Asing) Sdn Bhd (CBHK PBGHK For Cheng Kwee Kiang)	1,338,000	0.65
22.	HDM Nominees (Asing) Sdn Bhd (UOB Kay Hian Pte Ltd For Leow Gek Yan)	1,250,000	0.61
23.	HDM Nominees (Asing) Sdn Bhd (Phillip Securities Pte Ltd For Lau Chen Hong)	1,213,000	0.59
24.	HDM Nominees (Asing) Sdn Bhd (UOB Kay Hian Pte Ltd For Soong Siew Li)	1,059,500	0.51
25.	Ma Yuk Ping Winnie	933,000	0.45
26.	Chan Moon Fook	870,000	0.42
27.	Chai Koh Khi	800,700	0.39
28.	Chin Chee Sue	600,000	0.29
29.	HDM Nominees (Asing) Sdn Bhd (UOB Kay Hian Pte LTd For Leow Geok Hong)	583,000	0.28
30.	Azizan bin Abd Rahman	500,000	0.24

* The shares are ultimately owned by GD Express Holdings (M) Sdn Bhd.