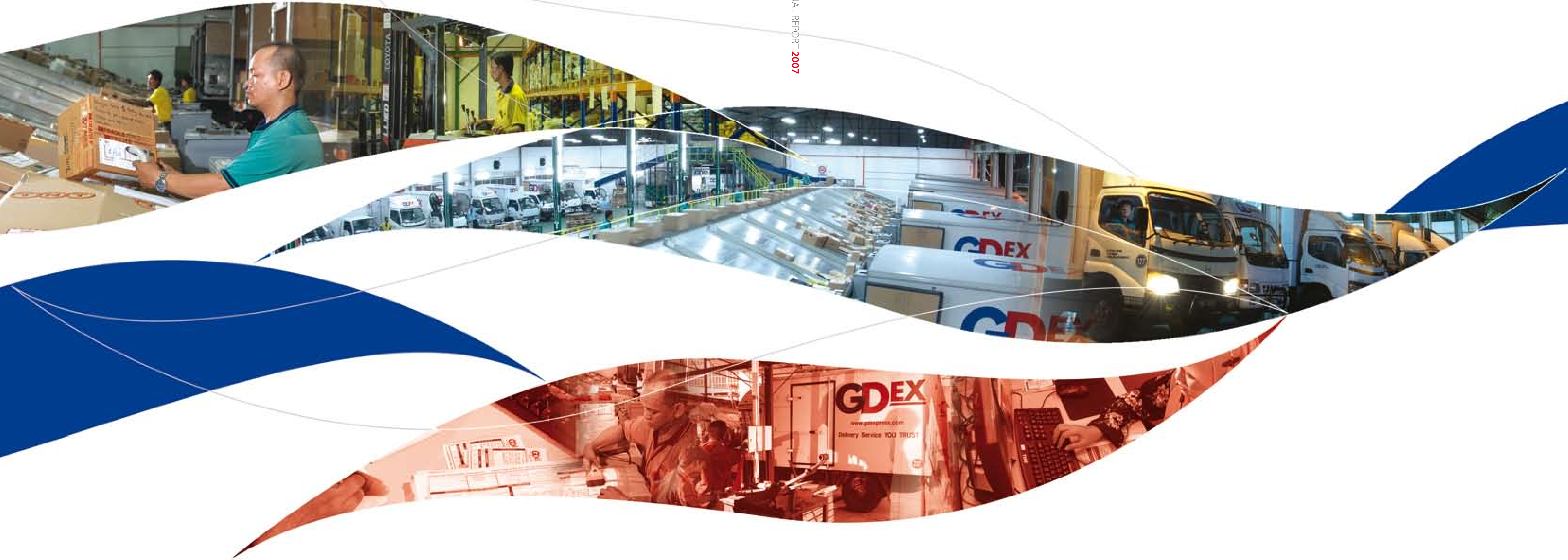


GD EXPRESS CARRIER BERHAD
(630579-A)

ANNUAL REPORT **2007**

GD EXPRESS CARRIER BERHAD ANNUAL REPORT 2007

Strategising for Accelerated Growth

Contents

GD EXPRESS

DELIVERY SERVICE YOU TRUST

We strategise our moves to position ourselves for long term gains

Like the "Go" grandmaster who painstakingly plots his moves three or four steps ahead of his opponent, GDEX likewise carefully strategises its growth in such a manner that enables the Group to tap into the growing demand for its express carrier services and customized logistic solutions in the coming years.

While this strategic positioning may require the Group to invest in more operational equipment and processes, and subsequently impact profits in the short term, it nevertheless puts the Group in a strong position to tap operation efficiencies and economies of scale when the higher volume of express delivery consignments kicks in.

The adage, no pain no gain aptly applies as GDEX sacrificed short term profits for long term gains. Today, GDEX is poised to tap into the many opportunities brought about by the winds of globalisation into the business world.

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
CHAIRMAN

Dear Shareholders

I am pleased to present my third annual report to our fellow stake-holders for the financial year ended 30 June 2007. Amidst an environment of keen competition and price undercutting, our Group continued to register double digit growth in sales and profit. Besides what is reflected in the financial figures, the Group has achieved much development work in terms of infrastructure, network, operation processes, systems and human resources.

Our Performance in 2007

In FY 2006/07, the Malaysian economy grew at a steady pace. Although fuel prices remained high, its inflationary effects appeared manageable.

Against this background, I am happy to report that the Group continued to make good progress. For the year reviewed, the Group achieved a 25.1 per cent increase in turnover to RM57.4 million from RM45.9 million previously. The Group pre-tax profit also improved 48.4 per cent to RM2.6 million from RM1.7 million previously. Net profit was RM2.1 million against RM1.2 million in the previous financial year, an increase of 73.0 per cent.

Since listing on the MESDAQ market of Bursa Malaysia in 2005, the Group has invested more than its profits into strengthening its operations.

While this strategy has affected our bottom-line in the past two years, our operational capacities and capabilities have been upgraded significantly in the long term, giving us an excellent edge in the industry. We need to achieve such superior positioning to take advantage of the many opportunities that will come along with changes in business environment as globalisation is having its impact on the Malaysian economy.

In this era of globalisation, carriers must re-align and integrate their operations into their customers' supply chain mechanism to satisfy customers' requirements, particularly in outsourcing. We need to overhaul our facilities, organization structure, processes as well as our mindset.

Today, the Group's operations and processes are much more synchronised and more modular, enabling us to fulfill many of the industry's unique needs.

For the year under review, our Group has done the following:

1. We acquired a property for our HQ Hub. This property acquisition removes the uncertainty associated with leased properties, enabling the management to implement long term plans with certainty and confidence for our future operational and infrastructural requirements.

2. We completed the installation of an automated conveyor system for hub-management and parcel sorting, replacing the slow and rather tedious manual parcel sorting process that is currently being practiced by most express delivery companies. This new automated sorting system increases the Group's handling and processing capability by more than three-fold. As part of the process to automate every aspect of the delivery and sorting operations, the company also invested in process scanners to fully capture the consignment note details of all packages from the moment they arrived in the hub.

3. We continued to enhance the skills of our management team by providing internal, external and continuous on-the-job training for all levels of employees. Over and above the on-the-job training programme, we have completed 21,000 man hours of structured training.

4. We started the Customer Care Centre that provides pre and post-delivery coordination and support satisfying the more sophisticated needs of priority customers.

5. We set up a new express delivery operation in Singapore as part of our network expansion. This new Singapore subsidiary opens up a new spectrum of business catering to multinationals and international companies with cross-border businesses with Malaysia.

Dividend Policy

The Group is still operating in a high growth phase in the dynamic express carrier industry. In view of this, our Board feels we should continue to retain earnings to feed our rapid growth.

Corporate Governance

Good corporate governance is the cornerstone of any effective well-run organization. We see integrity, honesty and transparency in dealings as crucial to a company's reputation and in building investor confidence. The Group has completed its risk management and internal audit exercise and will pursue the external audit exercise in the current year. We will continue to do the internal audit and monitoring of the risk indictors and will embark on the review and documentation of internal control system.

Challenges and Opportunities

Challenges

The liberalisation of world trade has brought many changes to the express delivery industry. Competition has become more intense. While some express carriers are upgrading their capabilities, others are resorting to price undercutting to attract business. The entrance of international courier players into the domestic arena poses even greater challenges. At the same time, customers require a more integrated approach to meet their rapidly evolving logistical requirements. Our Group has foreseen and embraced such developments.

Meanwhile, the industry faces continued increase in operation costs. Over the past two years, we experience hikes in fuel, wages, freight, operational supplies, rental and other overheads. Our approach to such challenge is to instill a culture of creativity throughout our organization to develop innovative and efficient methodology in operations.

Express carrier is a service organization. It relies heavily on human capital. For the base and middle level staff, our challenge is to impart skills and values into them, upgrade their individual competencies and retain them.

For the middle to senior level, we faced a shortage of talents to field our rapid expansion. Our Group recognises this as the greatest challenge in the long run. We have put in place and constantly upgrade a comprehensive Human Resource management programme to seek, train, develop and retain our people. Our goal is to provide a promising career path for everyone in the organization.

Our group is fully prepared for these challenges by continuously upgrading our capabilities towards international standards, focusing hard on improving productivity at all levels and empowering our human capital.

Opportunities

Many companies have come to realize that with globalisation, it is more beneficial to outsource their non-core activities, particularly transportation and delivery needs to professional carriers.

This together with the growing adoption of "Just-in-Time" stock management policy has opened up the window of opportunity for express carriers.

The roll-out of the Ninth Malaysian Plan will open up many opportunities for express carriers. After our rapid build-up of infrastructure, networks and capabilities in the past few years, our Group is in a good position to tap such opportunities.

The Future

The Group will continue to focus on solution-based approach to express delivery as it aligns its policies to meet the demands of an increasingly sophisticated express delivery market.

The Group also plans to introduce more performance measurements to gauge the KPIs (key performance indices) of the whole organisation.

Last but not least, the Group will continue to invest in our processes to enhance our strategic position and to ensure that we meet the expectations of our customers. We look forward to another year of continuous growth and hope to emerge in a better position in the industry.

Acknowledgement

I would like to thank the management and staff for their continued dedication and untiring efforts to expand the Group. Their support and commitment has brought us to where we are today.

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

I would also like to thank our shareholders for their patience and confidence in us as we continue to re-invest our profits for a better tomorrow.

Last but not least, I would like to commend my fellow board members who have fulfilled their commitment and obligations admirably to the board.

Thank you for all your valuable contributions. I look forward to another challenging year ahead.

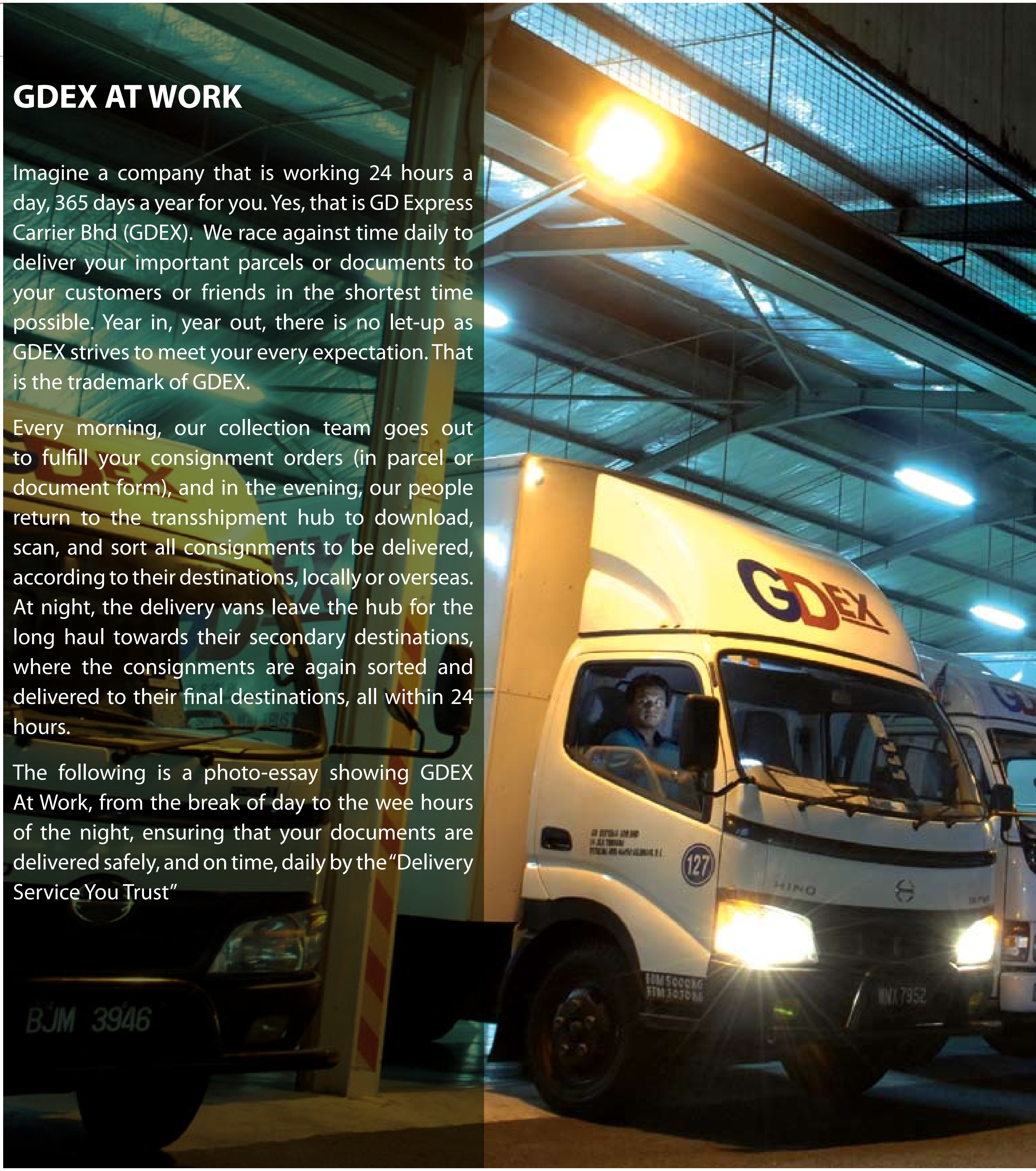
Dato' Capt. Ahmad Sufian@Qurnain bin Abdul Rashid
CHAIRMAN

GDEX AT WORK

Imagine a company that is working 24 hours a day, 365 days a year for you. Yes, that is GD Express Carrier Bhd (GDEX). We race against time daily to deliver your important parcels or documents to your customers or friends in the shortest time possible. Year in, year out, there is no let-up as GDEX strives to meet your every expectation. That is the trademark of GDEX.

Every morning, our collection team goes out to fulfill your consignment orders (in parcel or document form), and in the evening, our people return to the transshipment hub to download, scan, and sort all consignments to be delivered, according to their destinations, locally or overseas. At night, the delivery vans leave the hub for the long haul towards their secondary destinations, where the consignments are again sorted and delivered to their final destinations, all within 24 hours.

The following is a photo-essay showing GDEX At Work, from the break of day to the wee hours of the night, ensuring that your documents are delivered safely, and on time, daily by the "Delivery Service You Trust"

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ALLIED
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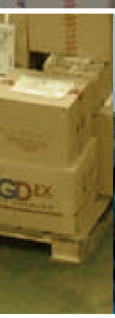
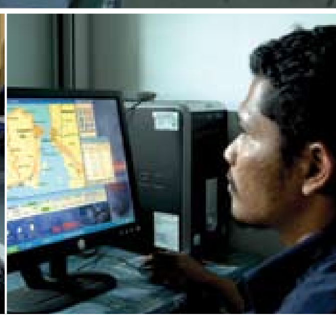
GDEX


GDEX

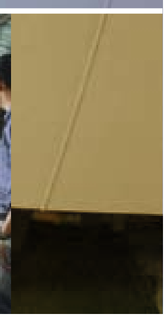




GDEX
www.gdexpress.com
Delivery Service YOU TRUST








Teong Teck Lean

EXECUTIVE DEPUTY CHAIRMAN & CHIEF EXECUTIVE OFFICER

The financial year ended 30 June 2007 remained a very challenging year for GD Express Carrier Bhd (GDEX). The Group maintained a steady growth course amidst a very competitive market environment.

While demand for our range of express delivery services remained strong, customers' expectation of the quality and standard of express delivery service continued to rise. To meet such expectation, we have continued to invest our profit to further strengthen the Group's infrastructure, processes and operating network. These measures, while impacting our bottom line, ensure that the Group keeps pace with the rapidly evolving marketplace brought about by the globalisation of the world economy.

For the financial year ended 30 June 2007, turnover increased 25.1 per cent to RM57.4 million from RM45.9 million previously while pre-tax profit improved 48.4 per cent to RM2.6 million from RM1.7 million previously. After-tax profit was RM2.1 million compared to RM1.2 million previously.

Key Focus Areas

In keeping with the Group's long term objective to provide the best service to its customers, the management continued its programme to develop and upgrade its network, infrastructure, facilities and systems while at the same time, paying great emphasis on enhancing human resources.

On the business front, the Group continues its strategy to pursue Customised Logistics Solutions (CLS). As a solution provider, we help our customers to achieve greater efficiency and cost savings.

On conventional delivery services, we continue to enhance the skill level and service standard of our front-line staff with comprehensive training programmes.

Network Development

We have increased the number of branches from 40 to 48, raising the total number of stations in the network to 91. We have set up a wholly-owned subsidiary in Singapore that has been fully operational since February 2007.

Infrastructure

We have upgraded our hub facilities to improve handling capacity and productivity and became the first local express carrier to have installed a conveyor system for parcel sorting. This investment enables us to capitalise on the increased outsourcing of logistics requirement.

Our warehouse facilities have been upgraded with higher storage capacity and better handling capability to support the growth in the CLS sector.

The management anticipates strong demand from customers requiring security handling in distribution and delivery. SSPD, our Secured Shipment Project Department has been revamped with advanced surveillance devices and security features, coupled with revised handling and reporting procedures. This provides us better control in the handling of security shipment.

Facilities

During the financial year, we have added 26 new trucks, increasing our vehicle fleet to 222. Our carriage capacity also increased from 298 tonnes in the previous year to 340 tonnes.

Systems Development

In line with development and expansion of infrastructure, our IT department continues to roll out new applications to facilitate operation processing and transactions. Our Intranet is playing an increasingly significant role as the platform for inter-departmental and inter-branch transactions and reporting. To-date, more than 40 applications have been developed to support numerous operations over the Intranet.

Human Resource

Staff strength grew another 15 per cent from 989 to 1134. The increase in manpower is partly due to expansion of network. On training, the Group focusses on improving the technical skills and operation knowledge of its frontline staff. At the same time, it also emphasises on improving management skills of its executives. In the Financial Year, we have chalked up 21,000 man-hours of structured internal and external training.

Customised Logistics Solutions

We put ourselves in the shoes of our customers in order to fully understand and appreciate their operational problems. By doing so, we are in a position to provide innovative solutions to improve their efficiency and save costs, and in the process, help them to improve the bottom line.

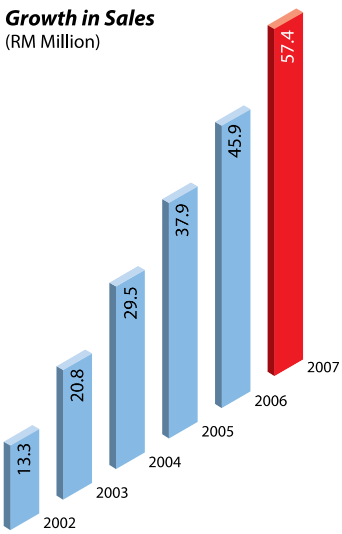
Conventional Express Delivery

The Group believes the conventional express delivery business is dependent upon reliable and hospitable services. Our focus thus is to continuously measure and upgrade our service standards and service reliability with more training and process refinements.

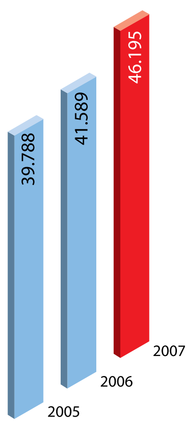
Corporate Governance

We have completed our first Risk Assessment Exercise with the help of external consultants. We have also conducted our first full-scale internal audit.

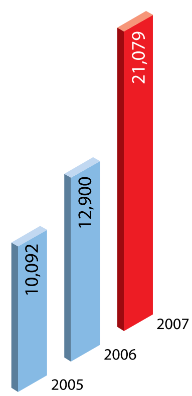
Growth in Sales
(RM Million)



Increase in Assets
(RM Million)



Increase in Manhour Training
(Hours)



Corporate Social Responsibility

In line with the corporate social responsibility programme adopted by the Group, we have completed our second blood donation exercise just before the start of the Ramadhan month and collected over 200 packets of blood supplies for the Blood Bank.

We worked with various universities on internship programme and have trained 38 students under the programme for the financial year. We have trained a total of 111 students since the start of the programme in 2004.

Looking Forward

Despite keen market competition, we strongly believe there is a vast market potential for high quality express carrier services that will power our growth far into the future. In line with this thinking, the Group, being young and growing, will continue to emphasise on developing and upgrading our resources.

We will continue to develop our infrastructure and facilities and speed up system development. We will also look into improving our productivity with the establishment of more defined Key Performance Indices (KPIs) and various work improvement projects.

On the sales front, we will continue to focus on realising the expectations of customers and improving our basic conduct of business to achieve our vision to be a market leader and industry role model.

Acknowledgement

I thank all my colleagues for their commitment, hard work and enthusiasm. I would also like to thank our customers, vendors and business service partners for their continuous support.

I look forward to further progress in GDEX to make us the leading express carrier in the country and the region.

Teong Teck Lean
Executive Deputy Chairman and Chief Executive Officer

Sitting from left to right

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Chairman

Teong Teck Lean
Executive Deputy Chairman & Chief Executive Officer

Leong Chee Tong
Executive Director & Deputy Chief Executive Officer

Standing from left to right

Kong Hwai Ming

Nolee Ashilin binti Mohammed Radzi

Lau Wing Tat

Liew Heng Heng

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid

Independent, Non-Executive Chairman, Malaysian aged 58

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 47

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 42

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 NHC Healthcare Cooperative ("NHC") as its Finance Manager in 1995. During his five (5) years at NHC, where he was eventually promoted as the Group Financial Controller, NHC grew to become one of the leading and most comprehensive healthcare organisations in Singapore with businesses covering retail pharmacy, medical and dental practices, managed care programme and distribution of health care products. Mr Leong joined GD Express Group 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 53

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. 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

All Directors do not have any family relationship with any director 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 other than traffic offences if any, within the past 10 years. The four directors featured in this page have attended five out of five Board meeting in the financial year. Except for Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid, all the other three directors above hold no other Directorship in public companies in Malaysia.

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 in May 2003. From February 2005 until June 2007, Mr Lau was with DBS Asset Management Limited, a wholly owned subsidiary of DBS Bank in Singapore. At the time of his departure from DBS, Mr Lau was both the Chief Executive Officer and Chief Investment Officer.

Kong Hwai Ming

Non-Independent Non-Executive Director, Singaporean aged 47

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 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 50

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 32

She was appointed to the board on 30 December 2004. She has a BA (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 and in 2004, she joined the Ministry of Youth and Sports as a Research Officer in the Minister's Office. Currently, she runs her own business based in Kuala Lumpur doing events management and trading. She is also a Member of Certified Practicing Accountant ("CPA") Australia.

All Directors do not have any family relationship with any director 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 other than traffic offences if any, within the past 10 years. In the financial year, Mr Kong has attended four out of five Board meetings, Cik Nolee Ashilin has attended three out of five Board meetings and Ms Liew has attended five out of five Board meetings. All the directors above hold no other Directorship in public Companies in Malaysia.


GDEX
HICOM

Senior Management

standing from left to right

Yong Phie Loong, Cheng Kee Leong, Lisa Chan, Zaihanizah binti Borhan, Tung Sook Wah, Kwok Nguk Mooi, Sundelasagran a/l Suppiah, Wong Eng Su, Hazlin Abu Hasan. Tiang Chen Chen *(not in picture)*

Yong Phie Loong

Head of Business Development Division, aged 53

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.

Cheng Kee Leong

Head of Transport Division, aged 52

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 Adviser 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 in February 2002 and his responsibilities cover the set-up, planning and implementation of proper control measures in vehicle operations.

Tiang Chen Chen

Head of Network Development Unit, aged 37

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 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.

Wong Eng Su

Head of Sales and Credit, aged 36

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 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.

Lisa Chan

Head of Corporate Affairs, aged 49

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 and Administrative Secretary. In 1990, she joined Nationwide Express as Confidential Secretary to the Chief General Manager. From 1991 to 1995, she joined Federal Express Malaysia as Executive Assistant to the Managing Director and later as Regional Executive Assistant to the Vice President of Federal Express Corporation in Singapore. She joined GD Express 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.

Zaihanizah binti Borhan

Head of Domestic, Public Relations and Communications, aged 31

She graduated with a Bachelor of Business Administration (Marketing) from University Putra Malaysia. Upon her graduation, she joined GT Realty Sdn Bhd, a real estate agency as an Administrative Executive. Thereafter, she joined GD Express Sdn Bhd in the year 2000 as Human Resource Executive and subsequently as Head of Human Resource before assuming her present position. She is responsible for promoting and maintaining good industrial and public relations as well as ensuring effective communication between management and staff.

Kwok Nguk Mooi

Head of Quality Assurance, aged 33

She has an International Higher Diploma in Computer Studies from Informatics College. She started her career as EDP Officer with Swiss-Garden Resort Damai Laut in 1997. She later joined GD Express Sdn Bhd in 2001 as Senior Finance Executive. Over a five-year period, she held the positions of Assistant Manager and later as Manager in the Billing Department before assuming her present position. She is responsible for the full compliance of the Group's policies & procedures.

Sundelasagran a/l Suppiah

Head of Transshipment Hub Division, aged 47

He has a Diploma in Business Management from Tafe College. He started his career as Quality Controller with JG Containers in 1977. In 1984, he joined Furukawa Electric Cable also as Quality Controller. He then moved to Nationwide Express Courier Services in 1986 as Operations Executive. He later joined GD Express Sdn Bhd in 2002 where he is responsible for the full transshipment activities of documents and parcels.

Tung Sook Wah

Head of Finance, aged 41

She is a fellow member of Chartered Association of Certified Accountants UK and also a member of MIA, Malaysia. She started her career as External Auditor with Peat Marwick in 1992 and moved on to commercial sector two years later. In 1997, she Joined JPK Malaysia as Manager and was appointed to the Board of JPK Holdings Berhad in 2004. She joined GD Express Sdn Bhd in May 2006 where she is responsible for the overall accounting and financial management of the Group.

Hazlin Abu Hasan

Head of Courier Division, aged 34

He started his career as transport contractor for National Panasonic, Likom and Ranger Communication in 1992. He later joined GD Express Sdn Bhd in 2000 as van driver. Over a seven-year period, he held the positions of Supervisor, Head of Operations at Headquarters, Regional Manager for both the Central Region and Sarawak Region before assuming his present position in July 2007. Encik Hazlin is responsible for the effective, efficient and smooth running of the ground operations and stations of the GD Express network.

COMPANY SECRETARIES	Woo Ying Pun (MAICSA 7001280) Loh Yin Fun (MAICSA 0862905)
REGISTERED OFFICE	10th Floor, Wisma Havela Thakardas 1, Jalan Tiong Nam Off Jalan Raja Laut 50350 Kuala Lumpur Tel : 03-9195 1688 Fax : 03-9195 1799
CORPORATE HEAD OFFICE	19, Jalan Tandang 46050 Petaling Jaya Selangor Darul Ehsan 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 Investment Bank Berhad (14152-V) 19th Floor, Plaza OSK Jalan Ampang, 50450 Kuala Lumpur Tel : 03-2333 8333 Fax : 03-2175 3217
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

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 of corporate governance as set out in the Malaysian Code on Corporate Governance ("the Code"), in order to meet the premium standard of corporate governance as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and financial performance of the Group.

The Company continues to apply the key principles of the Malaysian Code on Corporate Governance with an objective to maintain the promulgated standards of transparency, accountability and integrity.

The Board is pleased to outline the key principles and best practices of corporate governance adopted by the Board.

1. Board of Directors

1.1 Role and Responsibilities

The business of the Group is managed under the direction of the Board, but delegates to Executive Directors and Senior Management the authority and responsibility for managing the daily affairs of the Group. The matters are subject to oversight by the Board.

The Board discharges its stewardship responsibilities in accordance with the Code, including the setting of strategic business directions, overseeing the Group's business conduct and affairs, developing shareholders and investors relations, risk management, reviewing the system of internal control and managing succession planning.

The Board has a schedule of matters reserved specifically for its decision and these includes approval of annual budget and operating plan, capital expenditure, major acquisition and divestment, investments and fundamental corporate policies; in particular on corporate governance, financial matters and major compliance matters. The Board reviews past business results and initiates 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 reference. These Committees have the authority to examine pertinent matters within their terms of reference and is responsible for reporting to the Board on issues together with their recommendations. The ultimate responsibility for final decision on all matters, however, lies with the entire Board.

1.2 Board Composition and Independence

The Board comprises of seven members, comprising three (3) Independent Non-Executive Directors, two (2) Executive Directors and two (2) Non-Independent Non-Executive Director.

The Board composition complies with Rule 15.2 of Bursa Malaysia Securities Berhad's ("Bursa Securities") Listing Requirements for MESDAQ Market which requires that at least two directors or 1/3rd of the board of directors, whichever is the higher, are Independent Directors.

1.3 Board Balance and Effectiveness

GDEX has an effective and experience Board members comprising members with a wide range of skills, knowledge and experience necessary to govern GDEX Group.

A brief profile of each of the Directors is presented on pages 17 to 18 of the Annual Report.

The key functions of the Chairman, apart from conducting meetings of the Board and shareholders, include facilitating the setting of business directions and strategies of GDEX Group, ensuring all Directors are properly briefed during Board discussions and shareholders are adequately informed of 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, using 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 broad business and commercial experience. Such balance enables the Board to provide effective leadership in all aspects, as well as maintaining the premium standards of governance and integrity in making decision relating to strategy, performance, internal control, investors' relation and human resource management.

1.4 Board Meetings

During the financial year ended 30 June 2007, the Board of Directors met five (5) times , which are as follows:-

- 25 August 2006
- 20 October 2006
- 14 November 2006
- 13 February 2007
- 15 May 2007

The attendance of the Directors at Board meetings are shown in the table below :-

	Directors	Board Meeting Attended	%
(i)	Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	5/5	100
(ii)	Teong Teck Lean	5/5	100
(iii)	Leong Chee Tong	5/5	100
(iv)	Lau Wing Tat	5/5	100
(v)	Kong Hwai Ming	4/5	80
(vi)	Nolee Ashilin Binti Mohammed Radzi	3/5	60
(vii)	Liew Heng Heng	5/5	100

All meetings were held at the Conference Room of the Company at No. 17, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

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 Management and the Company Secretary, is responsible for setting the agenda of 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 candidate with the qualifications and experience who will further complement the current Board and assist in managing or steering 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 appointment 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, one-third (1/3) of the Directors 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 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 for 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 auditors, both internal and external, 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 35 to 38 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 regularly review 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 when deem necessary.
- To assess the performance of 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 on the nature of business, the corporate strategy, current issues within the Group, the expectations of the Group 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 advisers or consultants as it deems necessary to fulfill its functions.
- To act in line with the directions of the Board.

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

	Name	Designation
Chairman:	Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	Independent Non-Executive Chairman
Vice Chairman:	Kong Hwai Ming	Non-Independent Non-Executive Director
Members:	Liew Heng Heng	Independent Non-Executive Director
	Lau Wing Tat	Non-Independent Non-Executive Director
	Nolee Ashilin Binti Mohamed 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 Directors to have sufficient time to review the Board papers and to obtain further explanation or clarification to facilitate the decision-making process and the meaningful discharge of their duties. All proceedings of Board meetings are minuted and signed by the Chairman of the meeting.

Every Director has unhindered access to the advice and services of the Secretary who is responsible for ensuring Board meeting procedures are followed and that applicable rules and regulations are complied with, 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 timeframe required in the Listing Requirements.

The Board acknowledges the amendments to the Listing Requirements of Bursa Securities which are relevant for the fiscal year 2005 onwards. The Board will assume the onus of determining and overseeing the training needs of their Directors. The members of the Board have attended various training programmes and seminars organized internally or by the relevant regulatory authorities and professional bodies during the financial year under review on areas relevant to the Group's operations, business plan and these include amongst others, Asia Pacific Mail & Express Conference held in Singapore and Corporate Governance and Media conducted internally by external trainer. The Board encourages its Directors to attend talks, workshops, seminars and conferences to update and enhance their skills, and to assist them in discharging their responsibilities towards corporate governance, operational and regulatory issues.

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 2007 categorized into appropriate components are as follows:

	Executive Directors RM	Non-Executive Directors RM
Remuneration		
- Salaries and other emoluments	441,168	56,500
- Fees	–	103,200
	441,168	159,700

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

	Number of Directors	
Range of Remuneration	**Non-Executive Directors**	**Executive Directors**
Below RM50,000	–	5
RM200,001 – RM250,000	2	–

3. Investor Relations & Shareholders Communication

3.1 Investor Relations

The Board acknowledges the need for shareholders to be informed on all key issues and major development affecting the Group. 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 Board will use the Annual General Meeting as the primary channel of communication 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 auditors of the Company will be present to answer questions raised at the meeting.

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

3.2 Policy

The Company has a Corporate Disclosure Policy to enable the Board 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' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid as the Senior Independent Non-Executive Director, to whom all queries and concerns may be conveyed, or when it is inappropriate for the concerns to be dealt with by the Executive Directors.

The investors and shareholders are provided with the necessary and relevant information pertaining to the major developments of the Group 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.

<u>Corporate Disclosure Policy and Procedures (CDPP)</u>
On 19 August 2005 the Board of Directors of GEDX adopted the CDPP to provide accurate, clear and complete, disclosure of all material information on a timely manner, in order to keep shareholders and the investing public informed about the company's operations.

<u>Objectives CDPP</u>
- 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.

<u>Scope and application of the CDPP</u>
- 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.

<u>Accountability</u>
- The Board is accountable to fulfill all disclosure requirements and may delegate this task to the Corporate Disclosure Unit.

<u>Corporate Disclosure Committee (CDC)</u>
- Functions and responsibilities:
  (i) maintains awareness and understanding of the disclosure rules and guidelines.
  (ii) determines the materiality of information within the context of the company's overall business affairs, and if so, ensures 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 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 authorized spokesperson. All such queries shall be referred to the CDM.

3.3 Annual General Meeting

Notice of the Annual General Meeting and related papers are dispatched to shareholders at least twenty one (21) days before the meeting as prescribed under the Listing Requirements of Bursa Securities and the Company's Articles of Association.

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 39 to 40 of the Annual Report.

4.3 Relationship with Auditors

The Company's external auditors 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 formal and 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 35 to 38 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. The only area of non-compliance with the Code is the recommended disclosure of details of the remuneration of each Director. At this point, the Board of Directors of the Company is of the view that disclosure of the remuneration bands of the Directors of the Company is sufficient to meet the objectives of the Code.

4.5 Directors' Responsibility Statement in Respect of the Preparation of the Annual 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 2007 on pages 42 to 84 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.

5. Additional Compliance Information

5.1 Material Contracts

For the financial year ended 30 June 2007, there were no material contracts entered into by the Company and its subsidiary companies with Directors and / or substantial shareholders, either will subsisting at the end of the financial year, or which were entered into since the end of previous financial year.

5.2 Recurrent Related Party Transaction of Revenue or Trading Nature

Details of the recurrent related party transactions made during the financial year ended 30 June 2007 pursuant to the Shareholders' Mandate obtained by the Group at the Annual General Meeting held on 11 December 2006 are as follows:-

Nature of Transaction	**Subsidiary involved**	**Related Company**	**Interested Directors/ Substantial Shareholders/ Persons Connected to Directors or Substantial Shareholders (a)**	**Actual Value for the year ended 30 June 2007 (RM)**
Provision of software update and maintenance necessary for the operations of the Group	GDTech	GDX	Teong Teck Lean Leong Chee Tong	225,000
Provision of software training.	GDSB	GDX	Teong Teck Lean Leong Chee Tong	450,000

Notes:-

(1) GDTech, GD Technosystem Sdn Bhd, a wholly-owned subsidiary of the Company.

(2) GDSB, GD Express Sdn Bhd, a wholly-owned subsidiary of the Company.

(3) GDX, GDX Private Limited, a company incorporated in Singapore, where Mr Teong Teck Lean and Mr Leong Chee Tong are the common directors and substantial shareholders.

The above Recurrent Related Party Transactions were conducted on terms not more favourable to the related parties than those generally available to the public at arm's length and are not to the detriment of minority interest of the Company.

5.3 Share Buy-Back

The Company does not have a scheme to buy-back its own shares.

5.4 Options, Warrants or Convertible Securities

The Company does not have any options, warrants or convertible securities in issue or exercised during the financial year ended 30 June 2007.

5.5 Depository Receipt Programme

The Company did not sponsor any depository receipt programme for the financial year ended 30 June 2007.

5.6 Imposition of Sanctions and / or Penalties

The Company is not aware of any sanctions and / or penalties imposed on the Company and / or its subsidiary companies, Directors or Management by the relevant regulatory bodies.

5.7 Non-Audit Fees

For the financial year ended 30 June 2007, the Group did not pay any non-audit fees to the external auditors.

5.8 Profit Estimate, Forecast or Projections

There were no variance of more than ten percent (10%) between the results for the financial year and the unaudited results previously announced. The Company did not make any release on the profit estimate, forecast or projections for the financial year ended 30 June 2007.

5.9 Profit Guarantee

During the financial year ended 30 June 2007, there were no profit guarantees given by the Company.

5.10 Revaluation Policy on Landed Properties

The Group did not adopt any revaluation policy on landed properties.

5.11 Utilisation of Proceeds

As at 30 June 2007, the status of utilisation of the proceeds raised from the public issue pursuant to the listing the Company on Mesdaq Market of Bursa Malaysia Securities Berhad amounting to RM10.5 millions is as follows :

Purpose/ Explanation	Proposed utilisation RM'000	Revision approved by Securities Commission RM'000	Actual Utilisation RM'000	Balance Amount RM'000	%
Upgrading of GDEX's network and infrastructure	4,800	4,800	4,800	0	0
Working Capital	3,700	4,672	4,672	0	0
Estimated Listing Expenses	2,000	1,028	1,028	0	0
Total	**10,500**	**10,500**	**10,500**	**0**	**0**

The proceeds from the Initial Public Offer has been fully utilised during the year.

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 year ended 30 June 2007.

Membership

During the financial year, the Audit Committee comprises four (4) members, a majority of whom are Independent Non-Executive Directors.

	Name	**Designation**
(i)	Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	Independent Non-Executive Director (Chairman)
(ii)	Kong Hwai Ming	Non-Independent Non-Executive Director (Member)
(iii)	Liew Heng Heng	Independent Non-Executive Director (Member)
(iv)	Leong Chee Tong	Deputy Chief Executive Officer (Member)

Subsequent to the financial year end, on 23 October 2007, Cik Nolee Ashilin binti Mohammed Radzi was appointed to be the member of the Audit Committee. On the same day, Mr Leong Chee Tong resigned from the Audit Committee in compliance with the Malaysian Code on Corporate Governance (Revised 2007).

Terms of Reference

The following terms of reference of Audit Committee were adopted:

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, majority shall be Independent Directors of the Company.

In this respect, the Board adopts the definition of "Independent Director" as defined under the Bursa Securities Listing Requirements.

Retirement and resignation

If a member of the Audit Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three (3) months of the event appoint such number of new members as may be required to fill the vacancy.

Chairman

The Committee shall elect a Chairman from among their number who shall be an Independent Director. The Chairman of the Committee shall be approved by the Board of Directors.

2. Membership

At least one member of the Audit Committee:-

- Must be a member of the Malaysian Institute of Accountants; or
- If not a member of the Malaysian Institute of Accountants, 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 fulfilled such other requirements as prescribed by Bursa Securities.

An Alternate Director must not be appointed as member of the Audit Committee.

3. 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.

4. Authority

The Committee is authorised by the Board to investigate and report any specific matters of the Company and its subsidiaries within its terms of reference or otherwise directed by the Board. It shall, in accordance with a procedure to be determined by the Board of Directors and at the expense of the Company,

i. authorise to investigate any matter within its terms of reference. All employees shall be directed to cooperate as requested by members of the Audit Committee;
ii. have full and unlimited/unrestricted access to all information and documents/ resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and Group;
iii. obtain, at the expense of the Company, other independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary;
iv. be able to convene meetings with the external auditors, excluding the attendance of the executive members of the Audit Committee, whenever deemed necessary.
v. be able to make relevant reports when necessary to the relevant authorities if a breach of the Listing Requirements occurred.

5. 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 the absence of the Chairman, the other Independent Director shall be the Chairman for that meeting.

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. Representatives of the external auditors are to be in attendance at meeting where matters relating to the audit of the statutory accounts and/or external auditors are to be discussed. At lease once a year, the Audit Committee shall meet with the external auditors without any executive Board member present.

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

A quorum shall consist of a majority of members who are 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 Audit 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 Director after considering the recommendation of the Audit 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. Minutes of each meeting shall be kept and distributed to each member of the Audit Committee and also to the other members of the Board of Directors, when the Audit Committee deems necessary.

6. Duties and Responsibilities

The duties and responsibilities of the Audit 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;
- 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;
- 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 recommendations of the internal audit function;
- Review any appraisal or assessment on 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;
- To verify the allocation of Employees' Share Option Scheme ("ESOS') in compliance with the criteria as stipulated in the by-laws of ESOS of the Company.

Summary of Activities of the Audit Committee

During the financial year ended 30 June 2007, the Audit Committee met five (5) times on the following dates:-
- 25 August 2006
- 20 October 2006
- 14 November 2006
- 13 February 2007
- 15 May 2007

The attendance records of the Audit Committee Members are shown in the table below:-

	Members	Audit Committee Meeting Attended	%
(i)	Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	5/5	100
(ii)	Kong Hwai Ming	4/5	80
(iii)	Liew Heng Heng	5/5	100
(iv)	Leong Chee Tong	5/5	100

The activities of the Audit Committee include the following:-

- reviewed the quarterly and yearly financial statements of the Company;
- considered any related party transactions that may arise within the Company or Group;
- considered the major findings of internal investigations and management's response;
- reviewed the external auditors' reports in relation to audit, accounting and internal control issues arising from the audit and updates of the developments on accounting standards issued by the Malaysian Accounting Standards Board;
- Reviewed the plan of the external auditors;
- Reviewed the internal audit plan and results.

During the financial year ended 30 June 2007, no ESOS were granted to the eligible employees. As such, the Audit Committee is not required to verify the basis of allocation in respect of ESOS.

Internal Audit Function

The Committee has established an internal audit function and has engaged the services of an external professional services firm to assist the Audit Committee in the review on the adequacy and effectiveness of the internal control system of the Group.

During the year, the internal audit function assisted the Committee in discharging its duties and responsibilities by executing independent review on the Group's system of internal control. Periodic activities were carried out to provide the Committee with reasonable assurance that such systems continued to operate satisfactorily and effectively.

Summary of activities that were carried out include:

1. Formulated annual audit plan that focuses on controls managing the principal risks of the Group and reviews the resource requirements for audit executions;
2. Internal audit reviews executed in accordance with the approved annual audit plan. The internal audit review has been extended to the following branches during this financial year.
   (a) Johor Bahru,
   (b) Ipoh
   (c) Sitiawan
3. Reports on the results of internal audit reviews to the Committee on a periodic basis;
4. Follow-up on the implementation of audit recommendations and Management's agreed upon action plans; and
5. Ensured satisfactory actions taken to address previous internal audit findings.

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 which would require a separate disclosure in the financial statement.

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

Responsibility

The Board has overall responsibility for the Group's systems of internal control and for reviewing its adequacy and integrity whilst the role of management is to implement the Board's policies on risk and control. In view of the inherent limitations in any system of internal control, the system is designed to manage rather than eliminate risks. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that there is a continuous process to identify and manage the significant risks of the Group for the year under review. The process is regularly reviewed by the Board and is generally in accordance with the guidance as contained in the publication – Statement on Internal Control Guidance for Directors of Public Listed Companies.

Key Features of the Group's Internal Control System

The Group's systems of internal control are designed and operated to support the identification and management of risks affecting the Group and the business environment in which it operates. As such, they are subject to continuous review due to changes in the business environment and the fruition of new risks emerging. The key features of the Group's system of internal control are as follows:

1. Control Environment

    o Organisation Structure and Authority

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

    o 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.

    o 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.

    o 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 function and operations of the Group.

2. Internal Audit Function

The review of the adequacy and integrity of the Group's internal control system is the delegated responsibility of the Audit Committee. On a periodic basis, the Audit Committee assesses the adequacy and integrity of the internal control system through review conducted by the internal auditors and management. Significant internal control matters which are brought to the attention of the Audit Committee will be highlighted to the Board. The system of internal control is based on a framework of regular management information, management supervision and a system of delegation and accountability. The effectiveness of the Group's internal controls is examined in detail by the internal audit function.

The Group has outsourced its internal audit function to Audex Governance Sdn Bhd, a globally affiliated internal audit service provider firm as part of its strategy to provide the Board with assurance on the adequacy and integrity of the system of internal control. The outsourced internal audit function focuses on the review of areas which are related to the risk management needs of the Group. The areas of review are set out in a three-year internal audit plan which has been approved by the Audit Committee.

Where improvement opportunities are identified during internal audit reviews, recommendations are made and appropriate action plans are agreed with management. Results of periodic internal audit visits are tabled to the Audit Committee on a quarterly basis and follow-up visits are performed to track the implementation progress of agreed action plans.

During the year under review, nothing has come to the attention of the Board which would result in any material losses, contingencies or uncertainties that would warrant a separate disclosure in this annual report. Notwithstanding this, the Board will continue to embrace a risk and control conscious approach and maintain constant vigilance in order to meet its business objectives in the current changing and challenging business environment.

3. Risk Management Framework

The Board is committed in strengthening the Group's risk management framework and processes. Risk Management of individual operating units are delegated to the respective Executive Directors and Senior Management. In this regard, the Executive Directors and Senior Management are responsible for timely identification of the Group's risks of each business units and implementation of systems to manage these risks.

The Executive Directors, in turn will update the Board of any significant matters which will require the latter's attention via periodic Board and management meetings. Periodic management meetings are held to assess and monitor the Group's risk as well as discuss, deliberate and address matters associated with strategic, financial and operational facets of the Group.

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.

Statement made in accordance with the resolution of the Board of Directors dated 23 October 2007.

Financial Highlights

	Group year ended 30 June 2007 RM'000	Group year ended 30 June 2006 RM'000	Proforma Group[1] year ended 30 June 2005 RM'000
Revenue	57,365	45,866	37,932
Profit from operations	2,904	1,959	5,486
Profit before tax	2,558	1,724	5,280
Profit after tax	2,087	1,206	3,531
Return on revenue	4%	3%	9%
Profit attributable to ordinary equity holders	2,087	1,206	3,531
Net assets	34,757	32,690	31,686
Paid-up capital	25,719	25,719	20,575
Shareholders' equity	34,757	32,690	31,686

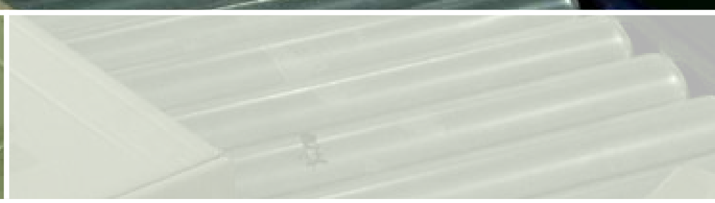
Share information
(Ordinary shares of RM0.10 each)

Number of shares in issue[2] ('000)	257,186	257,186	205,749
Earnings per share (sen)	0.81	0.47	1.72
Net assets per share (RM)	0.14	0.13	0.15
Share price at end of financial year (RM)	0.970	0.825	0.980

Notes :
1 Assuming that GDEX Group had been in existence throughout the period under review.
2 In May 2006, there was a bonus issue of 51,437,208 new ordinary shares by capitalising RM5,143,721 from the share premium account.

Financial Statements

for the year ended 30 June 2007

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 2007.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies are as disclosed in Note 12 to the Financial Statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

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	2,557,690	(88,468)
Income tax (expense)/credit	(471,048)	39,696
Net profit/(loss) for the year	2,086,642	(48,772)

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.

DIVIDENDS

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

The Company has not issued any new shares or 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 of 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
Teong Teck Lean
Leong Chee Tong
Lau Wing Tat
Liew Heng Heng
Kong Hwai Ming
Nolee Ashilin binti Mohammed Radzi

In accordance with Article 104 of the Company's Articles of Association, Messrs. Teong Teck Lean and Liew Heng Heng retire by rotation at the forthcoming Annual General Meeting of the Company 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 1.7.2006	**Bought**	**Sold**	**Balance as of 30.6.2007**
Shares in the Company				
Direct interest				
Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid	4,050,000	–	–	4,050,000
Teong Teck Lean	37,500	–	–	37,500
Leong Chee Tong	11,288,744	–	–	11,288,744
Lau Wing Tat	21,537,500	–	–	21,537,500
Liew Heng Heng	125,000	–	–	125,000
Kong Hwai Ming	8,763,750	535,200	–	9,298,950

	Number of ordinary shares of RM0.10 each			
	Balance as of 1.7.2006	Bought	Sold	Balance as of 30.6.2007
Indirect interest				
Registered in the name of GD Express Holdings (M) Sdn. Bhd.				
Teong Teck Lean	94,057,896	–	9,900,000	84,157,896
Registered in the name of GD Holdings International Ltd.				
Teong Teck Lean	53,750,000	–	–	53,750,000
Registered in the name of Essem Capital Sdn. Bhd.				
Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid	2,500,000	–	–	2,500,000

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.

The other directors in office at the end of the financial year did not hold shares or had beneficial interest in the shares of the Company during and at the end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in 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 Note 20 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,
23 October 2007

Report of the Auditors *to the members of GD Express Carrier Berhad*

We have audited the accompanying balance sheets as of 30 June 2007, 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 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 2007 and of the results and the cash flows of the Group and of the Company for the year ended on that date; 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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of the subsidiary companies, of which we have not acted as auditors, as mentioned in Note 12 to the Financial Statements, being financial statements that have been included in the consolidated financial statements.

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.

The 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

TAN BUN POO
1304/05/08 (J/PH)
Partner
23 October 2007

Income Statements *for the year ended 30 June 2007*

	Note	The Group		The Company	
		2007	2006	2007	2006
		RM	RM	RM	RM
Revenue		57,364,719	45,866,173	–	–
Staff costs	6	(25,619,308)	(20,834,722)	–	–
Other operating expenses	6	(24,833,336)	(20,276,019)	(353,000)	(311,045)
Depreciation of property, plant and equipment	10	(4,306,590)	(3,223,089)	–	–
Finance costs	7	(346,629)	(235,012)	–	–
Other operating income	6	298,834	426,742	264,532	255,964
Profit/(Loss) before tax		2,557,690	1,724,073	(88,468)	(55,081)
Income tax (expense)/credit	8	(471,048)	(518,202)	39,696	(78,786)
Profit/(Loss) for the year		2,086,642	1,205,871	(48,772)	(133,867)
Earnings per ordinary share					
Basic (sen)	9	0.81	0.47		

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

Balance Sheets *as of 30 June 2007*

	Note	The Group 2007 RM	The Group 2006 RM	The Company 2007 RM	The Company 2006 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	10	22,854,178	15,610,427	–	–
Goodwill on consolidation	11	137,141	137,141	–	–
Investment in subsidiary companies	12	–	–	17,309,356	17,074,885
Other receivable					
- non-current portion	13	–	929,000	–	–
Total Non-current Assets		22,991,319	16,676,568	17,309,356	17,074,885
Current Assets					
Inventories – at cost		354,974	269,371	–	–
Trade receivables	13	12,777,420	10,855,912	–	–
Other receivables and prepaid expenses	13	4,598,825	3,928,591	30,636	291,000
Amount owing by subsidiary companies	14	–	–	5,984,439	622,859
Deposits with licensed banks		3,760,415	9,213,694	2,766,619	8,217,908
Cash and bank balances		1,712,495	644,484	76,895	93,957
Total Current Assets		23,204,129	24,912,052	8,858,589	9,225,724
Total Assets		46,195,448	41,588,620	26,167,945	26,300,609

Balance Sheets *as of 30 June 2007 (Cont'd)*

	Note	The Group 2007 RM	The Group 2006 RM	The Company 2007 RM	The Company 2006 RM
EQUITY AND LIABILTIES					
Capital and Reserves					
Share capital	15	25,718,604	25,718,604	25,718,604	25,718,604
Reserves	16	9,038,610	6,971,234	326,141	383,801
Total Equity		34,757,214	32,689,838	26,044,745	26,102,405
Non-current and Deferred Liabilites					
Hire-purchase payables					
- non-current portion	17	2,268,780	1,546,188	–	–
Borrowings (secured)					
- non-current portion	18	903,091	1,060,647	–	–
Deferred tax liabilities	19	7,640	361,000	–	–
Total Non-current and Deferred Liabilities		3,179,511	2,967,835	–	–
Current Liabilities					
Trade payables	20	3,051,736	2,731,905	–	–
Other payables and accrued expenses	20	2,137,031	1,332,722	123,200	125,204
Hire-purchase payables					
- current portion	17	2,239,705	1,620,324	–	–
Borrowings (secured)					
- current portion	18	830,251	245,996	–	–
Tax liabilities		–	–	–	73,000
Total Current Liabilities		8,258,723	5,930,947	123,200	198,204
Total Liabilities		11,438,234	8,898,782	123,200	198,204
Total Equity and Liabilities		46,195,448	41,588,620	26,167,945	26,300,609

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

Statements of Changes in Equity *for the year ended 30 June 2007*

The Group	Note	Issued capital RM	Share premium RM	Reserve on consolidation RM	Translation reserve RM	Retained earnings RM	Total RM
Balance as of 1 July 2005		20,574,883	5,972,411	2,970,200	–	2,168,205	31,685,699
Bonus issue	15	5,143,721	(5,143,721)	–	–	–	–
Expenses recognised directly in equity:							
Share issue expenses		–	(201,732)	–	–	–	(201,732)
Profit for the year		–	–	–	–	1,205,871	1,205,871
Total recognised income/expenses		–	(201,732)	–	–	1,205,871	1,004,139
Balance as of 30 June 2006/1 July 2006							
As previously stated		25,718,604	626,958	2,970,200	–	3,374,076	32,689,838
Effect of adopting FRS 3		–	–	(2,970,200)	–	2,970,200	–
As restated		25,718,604	626,958	–	–	6,344,276	32,689,838
Expenses recognised directly in equity:							
Share issue expenses		–	(8,888)	–	–	–	(8,888)
Translation reserve		–	–	–	(10,378)	–	(10,378)
Profit for the year		–	–	–	–	2,086,642	2,086,642
Total recognised income/expenses		–	(8,888)	–	(10,378)	2,086,642	2,067,376
Balance as of 30 June 2007		25,718,604	618,070	–	(10,378)	8,430,918	34,757,214

The Company	Note	Issued capital RM	Share premium RM	Accumulated loss RM	Total RM
Balance as of 1 July 2005		20,574,883	5,972,411	(109,290)	26,438,004
Bonus issue	15	5,143,721	(5,143,721)	–	–
Expenses recognised directly in equity:					
Share issue expenses		–	(201,732)	–	(201,732)
Loss for the year		–	–	(133,867)	(133,867)
Total recognised income/expenses		–	(201,732)	(133,867)	(335,599)
Balance as of 30 June 2006/1 July 2006		25,718,604	626,958	(243,157)	26,102,405
Expenses recognised directly in equity:					
Share issue expenses		–	(8,888)	–	(8,888)
Loss for the year		–	–	(48,772)	(48,772)
Total recognised income/expenses		–	(8,888)	(48,772)	(57,660)
Balance as of 30 June 2007		25,718,604	618,070	(291,929)	26,044,745

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

Cash Flow Statements *for the year ended 30 June 2007*

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit/(Loss) for the year	2,086,642	1,205,871	(48,772)	(133,867)
Adjustments for:				
Depreciation of property, plant and equipment	4,306,590	3,223,089	–	–
Income tax expense/(credit) recognised in income statements	471,048	518,202	(39,696)	78,786
Write off of trade receivables	463,700	412	–	–
Finance costs	346,629	235,012	–	–
Allowance for doubtful debts	159,247	590,000	–	–
Unrealised loss on foreign exchange	5,509	–	–	–
Property, plant and equipment written off	1,719	190	–	–
Amortisation of goodwill	–	15,793	–	–
Interest income	(193,244)	(294,768)	(144,532)	(255,964)
(Gain)/Loss on disposal of property, plant and equipment	(13,810)	1,828	–	–
Operating Profit/(Loss) Before Working Capital Changes	7,634,030	5,495,629	(233,000)	(311,045)
(Increase)/Decrease in:				
Inventories	(85,603)	25,722	–	–
Trade receivables	(2,544,455)	(1,050,447)	–	–
Other receivables and prepaid expenses	291,946	(489,858)	289,648	14,000
Amount owing by subsidiary companies	–	–	177,594	(622,859)
Increase/(Decrease) in:				
Trade payables	314,322	(282,888)	–	–
Other payables and accrued expenses	804,309	(597,334)	(2,004)	40,592
Amount owing to subsidiary company	–	–	–	(628,400)
Cash Generated From/(Used In) Operations	6,414,549	3,100,824	232,238	(1,507,712)
Income tax paid	(857,588)	(845,202)	(62,588)	(5,786)
Net Cash From/(Used In) Operating Activities	5,556,961	2,255,622	169,650	(1,513,498)

(Forward)

	Note	The Group 2007 RM	The Group 2006 RM	The Company 2007 RM	The Company 2006 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Additions to property, plant and equipment (Note)		(8,283,094)	(2,629,666)	(5,539,174)	–
Proceeds from disposal of property, plant and equipment		56,500	16,949	–	–
Interest received		193,244	294,768	144,532	255,964
Deposit paid for the acquisition of leasehold land		–	(275,000)	–	(275,000)
Additional investment in subsidiary companies		–	–	(234,471)	–
Acquisition of subsidiary companies*		–	–	–	(4)
Net Cash Used In Investing Activities		(8,033,350)	(2,592,949)	(5,629,113)	(19,040)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Share issue expenses incurred		(8,888)	(201,732)	(8,888)	(201,732)
Increase in bank borrowings, excluding Islamic debt facility and bank overdraft		673,200	–	–	–
Payments of:					
Hire-purchase payables		(1,969,903)	(1,137,632)	–	–
Finance lease payables		–	(8,016)	–	–
Repayment of Islamic debt facility		(243,060)	(100,728)	–	–
Finance costs paid		(346,629)	(235,012)	–	–
Net Cash Used In Financing Activities		(1,895,280)	(1,683,120)	(8,888)	(201,732)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(4,371,669)	(2,020,447)	(5,468,351)	(1,734,270)
Effect of exchange differences		(10,158)	–	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		9,509,737	11,530,184	8,311,865	10,046,135
CASH AND CASH EQUIVALENTS AT END OF YEAR	21	5,127,910	9,509,737	2,843,514	8,311,865

(Forward)

Note: During the financial year, the Group and the Company acquired property, plant and equipment at an aggregate cost of RM11,594,970 and RM5,539,174 (2006: RM5,545,457 and RM Nil) respectively, of which RM3,311,876 and RM Nil (2006: RM2,915,791 and RM Nil) respectively were acquired under hire-purchase arrangements. Cash payments by the Group and the Company for the acquisition of property, plant and equipment amounted to RM8,283,094 and RM5,539,174 (2006: RM2,629,666 and RM Nil) respectively.

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

	The Group	
	2007	**2006**
	RM	**RM**
Cash and bank balances	–	2
Other payables and accrued expenses	–	(3,053)
Net liabilities assumed	–	(3,051)
Goodwill on consolidation	–	3,053
Total purchase consideration	–	2
Less: Cash and bank balances	–	(2)
Cash flows on acquisition, net of cash and cash equivalents acquired	–	–

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.

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

The principal activities of the subsidiary companies are as disclosed in Note 12.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

The Company's registered office is located at 10th Floor, Wisma Havela Thakardas, No 1, Jalan Tiong Nam, Off Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia.

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

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 23 October 2007.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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 Malaysian Accounting Standards Board ("MASB") approved accounting standards in Malaysia.

Adoption of New and Revised Financial Reporting Standards

During the financial year, the Group and the Company adopted the following new and revised Financial Reporting Standards ("FRS") issued by MASB that are relevant to their operations and effective for annual period beginning on or after 1 July 2006 as follows:

FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events After the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

The adoption of these new and revised FRS have no material impact on the financial statements of the Group and of the Company except for the following:

FRS 3: Business Combinations and FRS 136: Impairment of Assets

Under FRS 3, all business combinations will be accounted for by applying the purchase method where the cost of business combination will be allocated to the identifiable assets, liabilities and contingent liabilities recognised at the acquisition date.

The adoption of FRS 3 and FRS 136 on 1 July 2006 requires the Group to cease annual goodwill amortisation. Goodwill will be carried at cost less accumulated impairment losses and will be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in the income statements and subsequent reversal is not allowed. Prior to 1 July 2006, goodwill arising on consolidation was amortised evenly over a period of ten years.

This change in accounting policy has been accounted for prospectively for business combinations where the agreement date is on or after 1 January 2006. The transitional provisions of FRS 3, however, require the Group to eliminate on 1 July 2006 the carrying amount of the accumulated goodwill amortisation of RM22,310 with a corresponding decrease in goodwill.

FRS 3 requires that, after reassessment, any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination should be recognised immediately in the income statements. FRS 3 prohibits the recognition of negative goodwill in the balance sheets. Previously, the Group recognises negative goodwill in equity as a reserve on consolidation.

In accordance with the transitional provisions of FRS 3, the Group has applied the revised accounting policy prospectively from 1 July 2006. Therefore, the change has no impact on amounts reported for 2006 or prior periods.

The carrying amount of negative goodwill of RM2,970,200 as of 1 July 2006 has been derecognised at the transition date with a corresponding adjustment to opening retained earnings as of 1 July 2006.

FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has resulted in a change in the presentation of the income statements, balance sheets and statements of changes in equity. The changes in presentation have been applied retrospectively.

Accounting Standards Issued but Not Effective

The following new and revised FRSs, Amendments and Interpretations have been issued but not yet effective until future periods:

<u>Relevant to the Group's Operations</u>

FRS 117	Leases
FRS 124	Related Party Disclosures
FRS 139	Financial Instruments: Recognition and Measurement

Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation

FRS 117 is effective for accounting periods beginning on or after 1 October 2006. The directors anticipate that the adoption of FRS 117 will not have a material effect on the financial statements of the Company. The Company will apply this standard from financial period beginning 1 July 2007.

FRS 124 is effective for accounting periods beginning on or after 1 October 2006 and will affect the identification of related parties and some other related party disclosures. The Company will apply this standard from financial period beginning 1 July 2007.

The effective date of FRS 139 is yet to be determined by MASB. This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Company will apply this standard when it becomes effective.

Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation is effective for accounting periods beginning on or after 1 July 2007. This amendment requires exchange differences arising from monetary items forming part of net investment in a foreign operation to be recognised in a separate component of equity in the consolidated financial statements regardless of the currency of the monetary item. Previously, such treatment is only allowed where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation. The Group will apply this amendment from financial period beginning 1 July 2007.

Not Relevant to the Group's Operations

FRS 6	Exploration for and Evaluation of Mineral Resources (effective 1 January 2007)

Amendment to FRS 119$_{2004}$ Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures (effective 1 January 2007)

IC Interpretation 1 Changes in Existing Decommissioning, Restoration & Similar Liabilities (effective 1 July 2007)

IC Interpretation 2 Members' Shares in Co-operative Entities & Similar Instruments (effective 1 July 2007)

IC Interpretation 5 Rights to Interests arising from Decommissioning, Restoration & Environmental Rehabilitation Funds (effective 1 July 2007)

IC Interpretation 6 Liabilities arising from Participating in a Specific Market - Waste Electrical & Electronic Equipment (effective 1 July 2007)

IC Interpretation 7 Applying the Restatement Approach under FRS 129$_{2004}$ Financial Reporting in Hyperinflationary Economies (effective 1 July 2007)

IC Interpretation 8 Scope of FRS 2 (effective 1 July 2007)

In addition, on 15 June 2007, MASB issued the Framework for the Preparation and Presentation of Financial Statements ("the Framework") and 10 revised FRSs.

The revised FRSs are as follows:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 126	Accounting and Reporting by Retirement Benefit Plans
FRS 129	Financial Reporting in Hyperinflationary Economies
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The above FRSs shall apply to annual periods beginning on or after 1 July 2007 except for the following renamed FRSs which have the same effective dates as their original Standards, i.e., annual periods beginning on or after 1 January 2003:

(a) FRS 119 Employee Benefits, which supersedes FRS 119_{2004} Employee Benefits and Amendment to FRS 119_{2004} Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures;

(b) FRS 126 Accounting and Reporting by Retirement Benefit Plans, which supersedes FRS 126_{2004} Accounting and Reporting by Retirement Benefit Plans; and

(c) FRS 129 Financial Reporting in Hyperinflationary Economies, which supersedes FRS 129_{2004} Financial Reporting in Hyperinflationary Economies.

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 represents income from the provision of express delivery services and is recognised when the services are rendered.

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and of all its subsidiary companies listed under Note 12 made up to the end of the financial year. Subsidiary companies are those companies in which the Company has power to exercise control over the financial and operating policies so as to obtain benefits from their 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 results of subsidiary companies acquired or disposed off during the financial year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal.

All significant intercompany balances and transactions are eliminated on consolidation.

Business Combinations

The acquisition of subsidiary companies is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the income statements.

Foreign Currency Conversion

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in income statements for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in income statements for the year except for differences (if any) arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Ringgit Malaysia using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising are classified as equity and transferred to the Group's translation reserve account. Such translation differences are recognised in income statements in the year in which the foreign operation is disposed of.

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.

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 expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year, calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet "liability" method. Deferred tax liabilities are generally 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 profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets, if any, is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to income statements, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Impairment of Assets Excluding Goodwill

At each balance sheet date, the Group and the Company review the carrying amounts of their tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statements.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statements.

Goodwill on Consolidation

Goodwill on consolidation represents the excess of the cost of acquisition of subsidiary companies over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary companies at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

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

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

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

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

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-term leasehold land	Over the lease period of 50 to 57 years
Building	2%
Office equipment, furniture and fittings	12.5%
Computer hardware and software	20%
Tools and equipment	12.5%
Motor vehicles	20%
Renovation	20% - 33.3%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimates accounted for prospectively.

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 Acquired Under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to 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 recognised when the Group and the Company have a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. The provision is reversed if it is no longer probable that the obligation is required to be settled.

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. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as follows:

Allowance for doubtful debts

The Company makes allowance for doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

5. SEGMENT REPORTING

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

6. OTHER OPERATING INCOME/(EXPENSES) AND STAFF COSTS

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

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Interest income	193,244	294,768	144,532	255,964
Rental income	72,000	48,000	–	–
Gain/(Loss) on disposal of property, plant and equipment	13,810	(1,828)	–	–
Rental of premises	(2,548,929)	(1,876,742)	–	–
Write off of trade receivables	(463,700)	(412)	–	–
Directors' remuneration:				
Salaries and other emoluments	(489,581)	(518,359)	(15,400)	(9,500)
Fees	(103,200)	(106,200)	(103,200)	(103,200)
Allowance for doubtful debts	(159,247)	(590,000)	–	–
Auditors' remuneration:				
Current year	(58,113)	(47,000)	(20,000)	(20,000)
Underprovision in prior year	(2,000)	–	–	–
Loss on foreign exchange:				
Realised	(6,440)	(7,622)	–	–
Unrealised	(5,509)	–	–	–
Property, plant and equipment written off	(1,719)	(190)	–	–
Amortisation of goodwill	–	(15,793)	–	–

Staff costs include salaries, bonuses, contributions to Employees Provident Fund ("EPF") and all other staff related expenses. Contributions to EPF made by the Group during the current financial year amounted to RM1,753,083 (2006: RM1,522,055).

7. FINANCE COSTS

	The Group	
	2007	2006
	RM	RM
Interest expense on:		
Hire-purchase	219,286	132,327
Islamic debt facility	85,230	86,631
Trust receipts	29,328	–
Finance lease	12,648	12,357
Bank overdraft	137	3,697
	346,629	235,012

8. INCOME TAX (EXPENSE)/CREDIT

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Estimated tax payable:				
Current	(763,500)	(607,000)	(18,000)	(73,000)
(Under)/Overprovision in prior years	(60,908)	156,798	57,696	(5,786)
	(824,408)	(450,202)	39,696	(78,786)
Deferred tax (Note 19):				
Current	(142,503)	(68,000)	–	–
Overprovision in prior year	495,863	–	–	–
	353,360	(68,000)	–	–
	(471,048)	(518,202)	39,696	(78,786)

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

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Profit/(Loss) before tax	2,557,690	1,724,073	(88,468)	(55,081)
Tax at tax rate of 27% (2006: 28%)	(690,576)	(482,740)	23,886	15,423
Tax effects of expenses that are not deductible in determining taxable profit	(215,427)	(192,260)	(41,886)	(88,423)
(Under)/Overprovision in prior years:				
Income tax	(60,908)	156,798	57,696	(5,786)
Deferred tax	495,863	–	–	–
Income tax (expense)/credit	(471,048)	(518,202)	39,696	(78,786)

9. EARNINGS PER ORDINARY SHARE

Basic

	The Group	
	2007	2006
	RM	RM
Net profit attributable to ordinary shareholders	2,086,642	1,205,871

	2007	2006
	Shares	Shares
Number of shares in issue as of 1 July	257,186,038	205,748,830
Effects of bonus issue	–	51,437,208
Number of/Weighted average number of ordinary shares	257,186,038	257,186,038
Basic earnings per ordinary share (sen)	0.81	0.47

10. PROPERTY, PLANT AND EQUIPMENT

The Group	Long-term leasehold land RM	Building RM	Office equipment, furniture and fittings RM	Computer hardware and software RM	Tool and equipment RM	Motor vehicles RM	Renovation RM	Total RM
Cost								
As of 1 July 2005	2,611,083	–	1,748,061	6,345,231	190,906	6,039,225	1,489,661	18,424,167
Additions	–	–	738,185	964,034	16,809	2,967,056	859,373	5,545,457
Write offs/Disposals	–	–	(269)	(6,999)	–	(33,253)	–	(40,521)
As of 30 June 2006/ 1 July 2006	2,611,083	–	2,485,977	7,302,266	207,715	8,973,028	2,349,034	23,929,103
Additions	4,474,658	1,064,516	746,155	852,593	911,737	2,657,631	887,680	11,594,970
Write offs/Disposals	–	–	(1,770)	–	–	(99,553)	–	(101,323)
As of 30 June 2007	7,085,741	1,064,516	3,230,362	8,154,859	1,119,452	11,531,106	3,236,714	35,422,750
Accumulated Depreciation								
As of 1 July 2005	52,823	–	655,740	1,275,348	76,717	2,296,275	760,238	5,117,141
Charge for the year	48,882	–	204,968	1,327,418	23,282	1,353,541	264,998	3,223,089
Write offs/Disposals	–	–	(79)	(4,316)	–	(17,159)	–	(21,554)
As of 30 June 2006/ 1 July 2006	101,705	–	860,629	2,598,450	99,999	3,632,657	1,025,236	8,318,676
Charge for the year	101,349	12,482	290,069	1,491,107	82,936	1,873,406	455,241	4,306,590
Write offs/Disposals	–	–	(763)	–	–	(56,151)	–	(56,914)
Exchange differences	–	–	56	3	5	156	–	220
As of 30 June 2007	203,054	12,482	1,149,991	4,089,560	182,940	5,450,068	1,480,477	12,568,572
Net Book Value								
As of 30 June 2007	6,882,687	1,052,034	2,080,371	4,065,299	936,512	6,081,038	1,756,237	22,854,178
As of 30 June 2006	2,509,378	–	1,625,348	4,703,816	107,716	5,340,371	1,323,798	15,610,427

(Forward)

The Company	Long-term leasehold land RM	Building RM	Total RM
Cost			
As of 1 July 2005/30 June 2006/1 July 2006	–	–	–
Additions	4,474,658	1,064,516	5,539,174
Transfer to subsidiary company (Note 14)	(4,474,658)	(1,064,516)	(5,539,174)
As of 30 June 2007	–	–	–

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 RM6,613,000 (2006: RM4,942,000).

As of 30 June 2007, long-term leasehold land of the Group with net book value amounting to RM2,460,497 (2006: RM2,509,378) is charged to a licensed bank for credit facilities granted to the subsidiary company as disclosed in Note 18.

As of 30 June 2007, the title to the long-term leasehold land and building of the Group with net book value of RM5,470,152 (2006: RM Nil) acquired during the year, has not been issued to the subsidiary company.

Included in the cost of property, plant and equipment of the Group is an amount of approximately RM3,288,900 (2006: RM1,562,000) representing fully depreciated property, plant and equipment which are still in use by the Group.

11. GOODWILL ON CONSOLIDATION

	The Group 2007 RM	The Group 2006 RM
Goodwill on consolidation	159,451	159,451
Effect of adopting FRS 3	(22,310)	–
	137,141	159,451
Less: Accumulated amortisation	22,310	22,310
Effect of adopting FRS 3	(22,310)	–
	–	22,310
	137,141	137,141

As of 30 June 2007, the directors have reviewed the goodwill on consolidation for indications of impairment and concluded that no impairment loss is required.

12. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company 2007 RM	The Company 2006 RM
Unquoted shares - at cost	17,309,356	17,074,885

Details of subsidiary companies are as follows:

Subsidiary Companies	Country of Incorporation	Effective Equity Interest 2007 %	Effective Equity Interest 2006 %	Principal Activities
Direct				
GD Express Sdn. Bhd.	Malaysia	100	100	Provision of express delivery services.
GD Technosystem Sdn. Bhd.	Malaysia	100	100	Licensing of software to related company.
GD Express (Singapore) Pte. Ltd. *	Singapore	100	100	Provision of express delivery services.
Indirect				
GD Venture (M) Sdn. Bhd.	Malaysia	100	100	Provision of transportation services to related company.
GD Materials Distribution Sdn. Bhd. *	Malaysia	100	100	Dormant.

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

Post-acquisition results of subsidiary companies acquired in 2006 were as follows:

	The Group 2007 RM	The Group 2006 RM
Revenue	–	–
Other operating expenses	–	(2,590)
Loss before tax	–	(2,590)
Income tax expense	–	–
Decrease in Group's profit attributable to shareholders	–	(2,590)

The effects of the acquisitions on the financial position of the Group in 2006 were as follows:

	The Group	
	2007	**2006**
	RM	**RM**
Cash and bank balances	–	101,970
Other payables and accrued expenses	–	(420)
Group's share of net assets	–	101,550

13. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

	The Group	
	2007	**2006**
	RM	**RM**
Trade receivables	15,212,192	13,131,437
Less: Allowance for doubtful debts	(2,434,772)	(2,275,525)
Net	12,777,420	10,855,912

Trade receivables of the Group represent amounts receivable for the provision of express delivery services. The credit period granted to customers ranges from 30 to 90 days (2006: 30 to 90 days).

Other receivables and prepaid expenses consist of:

	The Group		The Company	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
Other receivables	2,707,349	3,067,850	352	15,000
Deposits	675,947	668,047	1,000	276,000
Tax recoverable	361,180	328,000	29,284	–
Prepaid expenses	854,349	793,694	–	–
	4,598,825	4,857,591	30,636	291,000
Less: Amount receivable within next 12 months	(4,598,825)	(3,928,591)	(30,636)	(291,000)
Amount receivable after next 12 months	–	929,000	–	–

Included in other receivables of the Group is an amount of RM1,876,005 (2006: RM2,041,484) arising mainly from disposal of property, plant and equipment and the delivery and installation of customised front-end management system software. Out of the total amount, RM Nil (2006: RM929,000) is receivable by the Group after the next twelve months in accordance with arrangement with the buyer. The said amount is interest-free.

The board of directors is of the opinion that the fair value of this other receivable mentioned in the preceding paragraph is not expected to differ significantly from the value that would eventually be received.

Included in deposits of the Group and the Company is deposit paid amounting to RM Nil (2006: RM275,000) for the acquisition of leasehold land.

14. RELATED PARTY TRANSACTIONS

Amount owing by subsidiary companies, which arose mainly from management fee receivable, transfer of property, plant and equipment, unsecured advances and payments on behalf, is interest-free and has no fixed repayment terms.

During the financial year, significant transactions with related company are as follows:

	The Company	
	2007	**2006**
	RM	**RM**
With subsidiary company, GD Express Sdn Bhd		
Management fee receivable	120,000	–
Transfer of property, plant and equipment from the Company	5,539,174	–

15. SHARE CAPITAL

	The Group and The Company	
	2007	**2006**
	RM	**RM**
Authorised:		
500,000,000 ordinary shares of RM0.10 each	50,000,000	50,000,000
Issued and fully paid:		
Ordinary shares of RM0.10 each		
At beginning of year:		
257,186,038 as of 1 July 2006; 205,748,830 as of 1 July 2005	25,718,604	20,574,883
Issued during the year:		
Nil in 2007; 51,437,208 in 2006	–	5,143,721
At end of year:		
257,186,038 as of 30 June 2007 and 30 June 2006	25,718,604	25,718,604

16. RESERVES

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Non-distributable:				
Share premium	618,070	626,958	618,070	626,958
Translation reserve	(10,378)	–	–	–
Reserve on consolidation	–	2,970,200	–	–
	607,692	3,597,158	618,070	626,958
Distributable:				
Retained earnings/(Accumulated loss)	8,430,918	3,374,076	(291,929)	(243,157)
	9,038,610	6,971,234	326,141	383,801

Share premium

Share premium arose from the following:

	The Group and The Company	
	2007	2006
	RM	RM
Public issue	7,000,000	7,000,000
Capitalisation for bonus issue	(5,143,721)	(5,143,721)
Share issue expenses	(1,238,209)	(1,229,321)
	618,070	626,958

Translation reserve

Exchange differences arising from translation of foreign controlled entities are taken to the translation reserve as described in the accounting policies.

Reserve on consolidation

Reserve on consolidation represents the excess of the net fair value of the identifiable net assets of subsidiary companies at date of acquisition over the cost of the Company's investment. Reserve on consolidation has been derecognised upon the adoption of FRS 3: Business Combinations, at the beginning of the financial year with a corresponding adjustment to opening retained earnings as of 1 July 2006.

17. HIRE-PURCHASE PAYABLES

	The Group	
	2007	**2006**
	RM	**RM**
Total outstanding	5,013,308	3,522,069
Less: Interest-in-suspense	(504,823)	(355,557)
Principal outstanding	4,508,485	3,166,512
Less: Amount due within 12 months (shown under current liabilities)	(2,239,705)	(1,620,324)
Non-current portion	2,268,780	1,546,188

The non-current portion is payable as follows:

	The Group	
	2007	**2006**
	RM	**RM**
Within 1 – 2 years	1,780,426	1,284,325
Within 2 – 5 years	488,354	261,863
	2,268,780	1,546,188

The interest rates implicit in these hire-purchase obligations range from 6.24% to 8.66% (2006: 6.24% to 8.36%) per annum.

18. BORROWINGS – SECURED

	The Group	
	2007	2006
	RM	RM
Term loan – Islamic debt facility	1,060,142	1,303,202
Trust Receipt	673,200	–
Bank overdraft (Note 21)	–	3,441
Total outstanding	1,733,342	1,306,643
Less: Amount due within 12 months (shown under current liabilities)	(830,251)	(245,996)
Non-current portion	903,091	1,060,647

The non-current portion of the Islamic debt facility is repayable as follows:

	The Group	
	2007	2006
	RM	RM
Within 1 - 2 years	279,843	260,478
Within 2 - 5 years	623,248	800,169
	903,091	1,060,647

The Al Bai Bithaman Ajil Islamic debt facilitiy is obtained from a local licensed bank and bears a profit rate at 7.15% (2006: 6.00%) per annum.

As of 30 June 2007, the Group has credit facilities totalling RM2,750,000 (2006: RM545,000) obtained from a local licensed bank. The bank overdraft and other credit facilities bear interest at 8.25% (2006: 8.00% to 8.25%) per annum.

Of the total credit facilities, RM345,000 (2006: RM345,000) is secured by the fixed deposits of the Group amounting to RM345,000 (2006: RM345,000). The remaining balance of the credit facilities together with the Islamic debt facility are secured by the following:

(a) Leasehold land of a subsidiary company as disclosed in Note 10; and
(b) Joint and several guarantee by certain directors of the Company.

19. DEFERRED TAX LIABILITIES

	The Group	
	2007	**2006**
	RM	**RM**
At beginning of year	361,000	293,000
Transfer from/(to) income statements (Note 8)	(353,360)	68,000
At end of year	7,640	361,000

As explained in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of 30 June 2007, the estimated amount of deferred tax asset, calculated at the current tax rate, which has not been recognised in the financial statements of the Group, is as follows:

	Deferred Tax Asset/ (Liability) The Group	
	2007	**2006**
	RM	**RM**
Temporary differences arising from:		
Property, plant and equipment	(1,008,633)	(1,970,900)
Trade receivables	658,000	637,000
Unused tax losses	43,000	–
Unabsorbed capital allowances	582,993	1,004,800
	275,360	(329,100)
Deferred tax liabilities recognised	7,640	361,000
Deferred tax assets not recognised	283,000	31,900

The unused tax losses and unabsorbed capital allowances, which are subject to agreement by the tax authorities, are available for offset against chargeable income provided there are no substantial changes in the ownership of the shares of the respective subsidiary companies.

20. 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 (2006: 30 days).

The currency exposure profile of trade payables is as follows:

	The Group	
	2007	**2006**
	RM	**RM**
Analysis of trade payables by currency:		
Ringgit Malaysia	3,043,090	2,691,039
Singapore Dollar	8,646	40,866
	3,051,736	2,731,905

Other payables and accrued expenses consist of:

	The Group		The Company	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
Other payables	409,793	674,298	20,000	22,004
Accrued expenses	1,727,238	658,424	103,200	103,200
	2,137,031	1,332,722	123,200	125,204

Included in other payables of the Group is an amount of RM157,751 (2006: RM337,500) 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 RM675,000 (2006: RM445,500) during the year, is interest-free and has no fixed repayment terms.

21. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Deposits with licensed banks	3,760,415	9,213,694	2,766,619	8,217,908
Cash and bank balances	1,712,495	644,484	76,895	93,957
Bank overdraft (Note 18)	–	(3,441)	–	–
	5,472,910	9,854,737	2,843,514	8,311,865
Less: Non cash and cash equivalents: Deposits pledged with a licensed bank (Note 18)	(345,000)	(345,000)	–	–
	5,127,910	9,509,737	2,843,514	8,311,865

Deposits with licensed banks earned interest at rates ranging from 3.00% to 3.70% (2006: 3.00% to 3.70%) per annum.

22. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

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 hire-purchase payables are fixed at the inception of the hire-purchase arrangements. The interest rates of the hire-purchase payables, bank borrowings and deposits with licensed banks are disclosed in Notes 17, 18, and 21 respectively.

(iii) Credit risk

The Group is exposed to credit risk mainly from trade and other 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.

(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 are cash and bank balances, deposits with licensed banks, and trade and other receivables.

The financial assets of the Company also include amount owing by subsidiary companies.

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 include trade and other payables, hire-purchase payables and borrowings, 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.

Fair Values

The carrying amounts and the estimated fair values of the financial instruments of the Group as of 30 June 2007 are as follows:

	The Group			
	2007		2006	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Asset				
Other receivable				
- non-current portion (Note 13)	–	–	929,000	911,660
Financial Liabilities				
Hire-purchase payables (Note 17)	4,508,485	4,269,394	3,166,512	3,522,069
Islamic debt facility (Note 18)	1,060,142	934,105	1,303,202	1,571,251

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, other receivables – non-current portion and Islamic debt facility

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

23. CONTINGENT LIABILITIES - UNSECURED

As of 30 June 2007, the Group and the Company have the following contingent liabilities:

	The Group		The Company	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
Corporate guarantee given to a bank for hire-purchase facilities granted to subsidiary companies	–	–	14,750,000	2,434,000
Corporate guarantee given to a supplier for credit facility granted to a subsidiary company	–	–	50,000	50,000
Legal claims in respect of litigations filed by former business partners	1,089,000	1,045,000	–	–
	1,089,000	1,045,000	14,800,000	2,484,000

The Directors of the Company, after consultation with the lawyers, are of the view that the potential liabilities in respect of the abovementioned legal claims are not probable of realisation and, accordingly, the amounts have 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 the related 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 2007 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,
23 October 2007

Declaration by the Director Primarily Responsible for the Financial Management of the Company

I, **LEONG CHEE TONG,** the director primarily responsible for the financial management of **GD EXPRESS CARRIER BERHAD,** do solemnly and sincerely declare that the accompanying balance sheets and the related 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.

LEONG CHEE TONG

Subscribed and solemnly declared by the abovenamed **LEONG CHEE TONG** at **KUALA LUMPUR** this 23rd day of October 2007.

Before me,

COMMISSIONER FOR OATHS

Analysis of Shareholdings

AS AT 26 OCTOBER 2007

Authorised Share Capital	:	RM 50,000,000.00
Issued and Paid-Up Share Capital	:	RM25,718,603.80 comprising 257,186,038 Ordinary Shares of RM0.10 each.
Class of Shares	:	Ordinary Shares of RM0.10 each
Voting Rights	:	One (1) vote per Shareholder on a show of hands
	:	One (1) vote per Ordinary Share on a poll.

DISTRIBUTION OF SHAREHOLDINGS

HOLDING	NO OF HOLDERS	%	NO OF SHARES	%
Less than 100	29	2.57	1,362	0.00
100 - 1,000	697	61.74	93,962	0.04
1,001 - 10,000	215	19.04	971,575	0.38
10, 001 - 100,000	120	10.63	4,780,400	1.86
100,001 to less than 5% of issued shares	63	5.58	92,249,743	35.87
5% and above of issued shares	5	0.44	159,088,996	61.86
TOTAL	**1,129**	**100.00**	**257,186,038**	**100.00**

INFORMATION ON DIRECTORS' SHAREHOLDING

		DIRECT INTEREST		INDIRECT INTEREST		
NO.	**NAMES OF DIRECTORS**	**NO. OF SHARES**	**%**	**NO. OF SHARES**		**%**
1	DATO' CAPT. AHMAD SUFIAN @ QURNAIN B. ABDUL RASHID	4,050,000	1.58	5,142,000	(a)	1.99
2	TEONG TECK LEAN	37,500	0.02	137,551,496	(b)	53.48
3	LEONG CHEE TONG	11,288,743	4.39	–		–
4	LAU WING TAT	21,537,500	8.37	–		–
5	KONG HWAI MING	9,413,050	3.66	3,650,000	(c)	1.42
6	NOLEE ASHILIN BT MOHAMMED RADZI	–	–	–		–
7	LIEW HENG HENG	125,000	0.05	–		–
	TOTAL	**46,451,793**	**18.06**	**146,343,496**		**56.89**

(a) Deemed interest by virtue of his substantial shareholdings in Essem Capital Sdn Bhd (2,500,000 ordinary shares), his spouse, Mardiana binti Mohamed Zain's shareholdings in the Company (2,625,000 ordinary shares) and his daughter, Suffrianna binti Ahmad Sufian's shareholdings in the Company (17,000 ordinary shares).

(b) Deemed interest by virtue of his and his spouse, Wang Herng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (83,801,496 ordinary shares) and GD Holdings International Limited (53,750,000 ordinary shares).

(c) Deemed interest by virtue of his spouse, Loi Siew Hoong's shareholdings in the Company.

INFORMATION ON SUBSTANTIAL SHAREHOLDERS (5% and above)

		DIRECT INTEREST		INDIRECT INTEREST		
NO.	NAME OF SHAREHOLDERS	NO. OF SHARES HELD	%	NO. OF SHARES HELD		%
1	TEONG TECK LEAN	37,500	0.02	137,551,496	(a)	53.48
2	GD EXPRESS HOLDINGS (M) SDN BHD	83,801,496	32.58	–		–
3	GD HOLDINGS INTERNATIONAL LIMITED	53,750,000	20.90	–		–
4	LAU WING TAT	21,537,500	8.37	–		–
5	KONG HWAI MING	9,413,050	3.66	3,650,000	(b)	1.42

(a) Deemed interest by virtue of his and his spouse, Wang Herng Tsuey, substantial shareholdings in GD Express Holdings (M) Sdn Bhd (83,801,496 ordinary shares) and GD Holdings International Limited (53,750,000 ordinary shares).

(b) Deemed interest by virtue of his spouse, Loi Siew Hoong's shareholdings in the Company.

TOP THIRTY (30) SHAREHOLDERS AS AT 26 OCTOBER 2007

NO	NAME	SHARES	%
1	GD EXPRESS HOLDINGS (M) SDN BHD	54,855,946	21.33
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD (Exempt an for Merill Lynch Pierce Fenner & Smith Incorporated (Local Resident))	33,900,000	13.18
3	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD (Teong Teck Lean for GD Express Holdings (M) Sdn Bhd)	28,945,550	11.25
4	LAU WING TAT	21,537,500	8.37
5	GD HOLDINGS INTERNATIONAL LIMITED	19,850,000	7.72
6	OSK NOMINEES (TEMPATAN) SDN BHD (Kwok Nguk Mooi)	9,122,000	3.56
7	DING AH DIEH @ DING PIK CING	8,627,750	3.35
8	LEONG CHEE TONG	8,211,327	3.19
9	KONG HWAI MING	6,250,000	2.43

NO	NAME	SHARES	%
10	DING MEI SIANG	5,790,000	2.25
11	AGNES CHAN WAI CHING	4,913,525	1.91
12	AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	4,050,000	1.57
13	OSK NOMINEES (ASING) SDN BHD (Cheng Kwee Kiang)	3,750,000	1.46
14	LOI SIEW HOONG	3,650,000	1.42
15	HDM NOMINEES (ASING) SDN BHD (Phillip Securities Pte Ltd for Kong Hwai Ming)	3,163,050	1.23
16	CIMB GROUP NOMINEES (ASING) SDN BHD (Pledge Securities Account for Leong Chee Tong)	3,077,416	1.20
17	MARDIANA BINTI MOHAMED ZAIN	2,625,000	1.02
18	ESSEM CAPITAL SDN BHD	2,500,000	0.97
19	HDM NOMINEES (ASING) SDN BHD (OUB Kay Hian Pte Ltd for Leow Geok Hong)	2,291,250	0.89
20	YAP KIAN PENG	1,817,750	0.71
21	HDM NOMINEES (ASING) SDN BHD (DBS Vickers Secs (S) Pte Ltd for Tan Piak Hwee Anthony)	1,604,325	0.62
22	CHIA PHAY CHENG	1,558,750	0.61
23	HDM NOMINEES (ASING) SDN BHD (OUB Kay Hian Pte Ltd for Soong Siew Li)	1,399,375	0.54
24	MA YUK PING WINNIE	1,331,250	0.52
25	CHAN MOON FOOK	1,087,500	0.42
26	CITIGROUP NOMINEES (ASING) SDN BHD (Exempt an for Merill Lynch Pierce Fenner & Smith Incorporated (Foreign))	1,055,375	0.41
27	HDM NOMINEES (ASING) SDN BHD (Phillip Securities Pte Ltd for Lau Chen Hong)	829,200	0.32
28	CHEW KOK SIANG	801,725	0.31
29	KENANGA NOMINEES (TEMPATAN) SDN BHD (Exempt an for Phillip Securities Pte Ltd (Client Account))	760,200	0.30
30	CHAI KOH KHI	758,775	0.30
	TOTAL	**240,114,539**	**93.36**

Group Property Particulars

Listed below are the particulars of the property referred to in Note 10 to the Financial Statements.

No.	Location of Property	Description/ Existing Use	Approximate Land Area (sq. ft.)	Tenure	Approximate Age of Building (years)	Net Book Value as at 30.6.2007	Date of Acquisition
(1)	21, Jalan Tandang 46050 Petaling Jaya, Selangor	Land with temporary structures/workshop	29,757	99 years lease expiring 6 Nov 2057	42 years	2,460,496	17 Nov 2003
(2)	19, Jalan Tandang 46050 Petaling Jaya, Selangor	Corporate Head Office and Distribution Hub	61,909	99 years lease expiring 13 Aug 2056	34 years	5,474,225	29 Nov 2006

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting of the Company will be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 10 December 2007 at 2.00 p.m for the following purposes:-

AGENDA

As Ordinary Business:-

1. To receive the Audited Financial Statements for the financial year ended 30 June 2007 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 2007. — Ordinary Resolution 1

3. To re-elect the following Directors who retire pursuant to Article 104 of the Company's Articles of Association:-

   i) Mr Teong Teck Lean — Ordinary Resolution 2
   ii) Ms Liew Heng Heng — Ordinary Resolution 3

4. To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. — Ordinary Resolution 4

As Special Business:-

To consider and, if thought fit, with or without any modification, to pass the following resolutions which will be proposed as ordinary and special resolutions :-

5. **Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965** — Ordinary Resolution 5

   "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."

6. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")** — Ordinary Resolution 6

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

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

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed; or

(ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting

whichever is the earlier.

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

7. **Proposed Amendments To The Articles Of Association Of The Company** Special Resolution

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

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

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

8. To transact any other business that may be transacted at an Annual General Meeting of which, due notice shall have been previously given in accordance with the Companies Act, 1965 and the Articles of Association of the Company.

BY ORDER OF THE BOARD
GD EXPRESS CARRIER BERHAD

WOO YING PUN (MAICSA 7001280)
LOH YIN FUN (MAICSA 0862905)
Company Secretaries

16 November 2007

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 10th Floor, Wisma Havela Thakardas, No.1, Jalan Tiong Nam, Off Jalan Raja Laut, 50350 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 5 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 Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 6 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 2.1.4 of the Circular to Shareholders dated 16 November 2007 with the specified classes of the Related Parties mentioned therein which are necessary for the Group's day-to-day operations.

(c) Resolution pertaining to Proposed Amendments to the Articles of Association of the Company will bring the Articles of Association of the Company to be in line with the Listing Requirements of Bursa Malaysia Securities Berhad of the Mesdaq Market.

Statement Accompanying Notice of Annual General Meeting

1. Directors standing for re-election at the Fourth Annual General Meeting

The Directors who retire pursuant to Article 104 of the Company's Articles of Association and seeking re-election are as follows:-

(1) Mr Teong Teck Lean
(2) Ms Liew Heng Heng

2. Details of Directors standing for re-election

Details of the abovementioned Directors seeking for re-election are set out in the Directors' profile on page 17 to 18 of the Annual Report.

3. Attendance of Directors at Board Meetings

Five (5) Board meetings were held in the financial year ended 30 June 2007. Details of the attendance of Directors at the Board meetings are disclosed in the Statement on Corporate Governance on page 26 of the Annual Report.

4. Date, Time and Place of the Fourth Annual General Meeting

The Fourth Annual General Meeting of the Company will be held:-

Date : Monday, 10 December 2007

Time : 2.00 p.m.

Place : Bukit Kiara Resort Berhad
Jalan Bukit Kiara
Off Jalan Damansara
60000 Kuala Lumpur

GD EXPRESS

GD EXPRESS CARRIER BERHAD
Company No. 630579-A
(Incorporated in Malaysia)

FORM OF PROXY

Number of Shares Held	

*I/We ____(Full Name in Block Letters) NRIC/Passport No.____________________ of ______________________________ (Address) being a member / members of GD Express Carrier Berhad hereby appoint *Mr/Ms ____________________NRIC/Passport No.______________________of __________________________ (the next name and address should be completed where it is desired to appoint two/more proxies) *Mr/Ms ____________________ NRIC/Passport No. ____________________of ______________________________
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 Fourth Annual General Meeting of the Company to be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 10 December 2007 at 2.00 p.m. 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 approve payment of Directors' fees in respect of the financial year ended 30 June 2007		
2.	To re-elect Mr Teong Teck Lean		
3.	To re-elect Ms Liew Heng Heng		
4.	To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company for the ensuing year		
5.	To approve the authority to allot shares pursuant to Section 132D of the Companies Act, 1965		
6.	To approve mandate for the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
7.	To approve the Proposed Amendments to the Articles of Association of the Company		

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

Signed this ____________ day of ________ 2007

____
Signature/Common Seal of Shareholder(s)

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 10th Floor, Wisma Havela Thakardas, No. 1, Jalan Tiong Nam, Off Jalan Raja Laut, 50350 Kuala Lumpur not less than 48 hours before the time set for the holding of the meeting or adjourned meeting.

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Stamp

The Company Secretary
GD EXPRESS CARRIER BERHAD (630579-A)
10th Floor
Wisma Havela Thakardas
No.1, Jalan Tiong Nam
Off Jalan Raja Laut
50350 Kuala Lumpur
MALAYSIA

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Our Stations

HEADQUARTERS (PJ)

Headquarters (PJ)
03-7787 6668

Sales Office
03-2141 5313

PENINSULA MALAYSIA

Alor Setar
04-7349636

Batu Pahat
07-434 6033

Bahau
06-454 0295

Bentong
09-223 5099

Butterworth
04-398 3930

Cameron Highland
05-491 5861

Dungun
09- 848 1243

Gemas
07-948 1266

Gua Musang
09- 912 2046

Ipoh
05-241 6678

Jerteh
09-697 8734

Johor Bahru
07-333 5578

Johor Bahru (Service Center)
07-221 5578

Kampar
05-465 9448

Kajang
03-8737 0988

Kerteh
09-826 6514

Kemaman
09-858 3091

Klang
03-3341 1708

Kluang
07-774 3362

Kota Bharu
09-743 1800

Kota Tinggi
07-882 5578

Kuantan
09-567 2033

Kuala Terengganu
09-620 3006

Kuala Krai
09-966 3546

Kuala Lipis
09-312 2697

Kuala Selangor
03-3289 4727

Langkawi
04-966 0160

Maran
019-926 9683

Malim Jaya
06-334 0131

Melaka
06-281 8033

Melawati
03-6187 3059

Mentakab
09-277 2100

Mersing
07-799 6868

Muar
06-953 9337

Parit Buntar
05-717 4494

Pasir Mas
013-991 4541

Penang
04-227 9358

Port Klang
03-3323 6063

Puchong
03-5882 2460

Rawang
03-6091 5662

Sabak Bernam
013-209 2280

Segamat
07-932 8033

Senai
07-663 8578

Seremban
06-767 0121

Sg. Petani
04-421 5580

Shah Alam
03-5122 9166

Sitiawan
05-691 0372

Sungai Besi
03-9221 0193

Subang Jaya
03-5631 0688

Sungai Buloh
03-7846 1226

Tangkak
06-978 5018

Tampin
06-441 8548

Taiping
05-805 2401

Tanjung Malim
05-459 9210

Teluk Intan
05-623 4635

SABAH

Keningau
087-336 631

Kudat
088-611 490

Kota Belud
088-977 126

Kota Marudu
088-661 619

Kota Kinabalu
088-259 953

Lahad Datu
089-885 770

Sandakan
089-222 475

Tambunan
013-875 8953

Tawau
089-774 173

Papar/Sipitang/Beufort/K.Penyu
019-851 1775

Ranau
019-802 2788

SARAWAK

Bau
082-763 639

Betong
083-472 789

Bintulu
086-318 871

Bintagor
084-693 497

Dalat
084-864 250

Daro
084-832 221

Kanowit
084-752 306

Kapit
084-796 707

Kuching
082-232 306

Lundu
082-735 637

Lawas
085-285 369

Limbang
085-212 521

Marudi
085-756 693

Miri
085-434 148

Mukah
084-873 358

Sarikei
084-654 108

Saratok
083-436 003

Serian
082-874 613

Sri Aman
083-327 288

Sibu
084-218 063

Song
084-777 261

LABUAN

Labuan
087-425 880

SINGAPORE

Singapore
65-6396 5539

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

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

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

OSK Investment Bank Berhad
19th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel: 03-2333 8333
Fax: 03-2175 3217

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