GD EXPRESS CARRIER BERHAD

ANNUAL REPORT 2008

GD EXPRESS

GD EXPRESS CARRIER BERHAD
(630579-A)

ANNUAL REPORT 2008

Contents

Our Stations

HEADQUARTERS (PJ)

Headquarters (PJ)
03-7787 2222

Sales Office
03-2141 5313

PENINSULA MALAYSIA

Alor Setar
04-734 9636

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

Johor Bahru (Service Center Permas Jaya)
07-386 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
09-477 1310

Malim Jaya
06-334 0131

Melaka
06-281 8033

Melawati
03-6187 3059

Mentakab
09-277 2100

Mersing
07-799 7027

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

Serdang
03-8945 3488

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 4716

Taiping
05-805 2401

Teluk Intan
05-459 9210

Bintulu
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

Tawau
089-774 173

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

Ranau
019-802 2788

SARAWAK

Bau
082-765 636

Betong
083-472 485

Tanjung Malim
086-318 871

Bintagor
084-693 497

Dalat
084-864 250

Daro
084-823 786

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
084-872 808

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

teamwork, mobility & productivity

The humble honey bee, since time immemorial, has been regarded as a symbol of organisation, thrift and diligence. The worker bees go out daily to gather food, while the younger ones clean, maintain and protect the hive. The drones mate with the Queen Bee to populate the hive. The bee colony is remarkably well-organised, with the industrious honey bees exhibiting great teamwork, mobility and productivity.

Like the honey bee, GD Express Carrier Bhd (GDEX) operates in a highly organised framework amid a finely-tuned environment. Different categories of workers perform different tasks that contribute to the overall production of revenue to the Group.

In gathering pollen, the honey bee not only brings back the ingredients for making honey and beeswax, but also pollinate the flowers– a little-known but vital process that helps in the regeneration of the entire eco-system.

GDEX people similarly collect parcels and documents from various homes, offices and factories and bring these shipments to the hub for sorting before they are re-directed to their ultimate destinations. In the process, GDEX also helps to "pollinate" and expand its customers' businesses by empowering its customers with reliable and timely deliveries to all parts of Malaysia.

The honey bee, GDEX... together, they make the world a better place!

Chairman's Statement

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

Dear Shareholders

I am pleased to present my fourth annual report to our fellow stake-holders for the financial year ended 30 June 2008. Amidst a backdrop of rising oil prices which exerted strong inflationary pressure on the Malaysian economy, our Group continued to register double digit growth in sales and profit. The Group continued to enhance its business competitiveness by improving the efficiency of our infrastructure, network, operation processes, systems and human resources.

Our Performance in 2008

FY2007/08 saw the surge in commodity prices, especially price of fuel, to record levels. At the same time, inflation has made its presence felt, causing prices of consumer goods to rise sharply and contributed to higher operating costs in every industry.

The transportation sector, in particular, was hard hit by higher fuel prices, especially in the fourth quarter where fuel prices were raised by more than 40 per cent. This caused an immediate chain reaction as transport providers and services in every industry reacted by revising their prices upwards to offset the increased operating costs.

Against this background, I am happy to report that the Group recorded a modest improvement in its results. For the year reviewed, the Group achieved a 19 per cent increase in turnover to RM68.08 million from RM57.36 million previously. The Group pre-tax profit also improved 71 per cent to RM4.36 million from RM2.56 million previously. Net profit was RM2.98 million against RM2.09 million in the previous financial year, an increase of 43 per cent. Net earnings per share amounts to 1.16 sen per every 10 sen share.

Dividend Policy

Our policy of reinvestment to continuously strengthen operations in the past few years has started bearing fruits. While our bottom line for the year under review showed only a modest improvement due to the current higher cost environment, the growth in turnover has nevertheless placed us in a superior position to tap economies of scale and meet the different customised needs of our customers.

The Board is of the view that the Group has successfully implemented the bulk of its capital reinvestment programme over the past few years, and is now in a position to reward its shareholders with a dividend. As such, it is my great pleasure to announce that the Board of Directors has declared its first-ever dividend of 5 per cent for every 10 sen share. This dividend will result in a payout of some RM1.29 million to our shareholders. While the dividend payout may not be significant now, it nevertheless represents the Group's commitment to include dividend payout as a component of earnings distribution policy.

Significant Developments

For the year under review, our Group has further enhanced our operations by undertaking the following:

- Implemented the automated document sorter which drastically reduced the time need to clear our incoming documents. The Group has thus successfully completed the implementation of both its automated parcel and automated document sorter lines which has expanded our operating capacity by threefold and improved our operational productivity significantly,
- Introduced the use of Secured Line-haul Movable Compartments (SLMCs) to store and transport our packages. This has minimised damages to parcels, speed up delivery, improved security as well as accountability of the goods in transit,
- Outfitted our line-haul vehicles with tailgates to operate concurrently with our SLMCs, and
- beefed up our in-house vehicle maintenance unit to keep vehicle running costs low.

Challenges and Opportunities

In this era of globalization and tough market competition, the Group believes the way forward is to have a strong corporate culture and great leadership quality. While we are satisfied that various processes, network and infrastructure are in place, it is our people that will finally assure our service will meet our customers' expectation. The Group sees a need to continuously upgrade the standards of our delivery service. Our delivery people must be able to perform up to international standards in express delivery service. There must be a significant shift in mindset and action of the delivery team if the Group is to become a leading express carrier in the region.

The Group will continue to focus on the process of re-aligning and integrating its operations into our customer's supply chain mechanism to satisfy customers' requirements, particularly in outsourcing. We will continue to fine-tune our process, strengthen our organization structure and upgrade our facilities to make them much more synchronized and more modular, enabling us to fulfill many of the industry's unique needs.

Succession Planning in Management

The Group is always looking ahead not only in the area of business and marketing improvement, but also in its management succession. The Group believes in the rejuvenation process. There should be a continuous infusion of new blood into management, while allowing the more experienced members to mentor and guide the new and less experienced. This ensures the Group remains relevant at all times while providing room for management to be upwardly mobile.

In this respect, I am pleased to inform that Mr Leong Chee Tong, formerly our Deputy Chief Executive Officer, has been appointed Chief Executive Officer of the Group in January 2008. He brings with him a wealth of management experience, having understudied our former Chief Executive Officer Mr Teong Teck Lean for many years. I am confident that Mr Leong is more than up to the task in continuing to build the Group, meet our goals and add value for our shareholders.

Mr Teong, who is the Group's Executive Deputy Chairman, will continue to bless the Group with his vast experience and guide the management in his role as "senior mentor". He will also be channeling his energies into reshaping the GDEX Culture - a key area of development that needs to be looked into seriously if the Group is to move forward to meet the increasing high standards of the express carrier industry and the challenges of globalization.

In this respect, I would like to express my heartfelt thanks and gratitude to Mr Teong for having set the pace and building a firm foundation from which the Group will spring to greater heights.

The Future

Stiffer market competition and increased cost of doing business are likely to stay for the express carrier industry today. We expect fuel prices to remain at a high level and inflationary pressures will be mounting. The world economic outlook is likely to remain bleak and uncertain following the slowdown and rounds of financial crises in the major economies. The business environment will be tough. However, the Group has taken several measures to mitigate such problems and I am certain that these measures, when consistently carried out, will enable the Group to overcome whatever challenges that we are currently facing.

Acknowledgement

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

My sincere thanks and appreciation also goes 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. I believe the declaration of our maiden dividend is the forerunner of many good things to come in the future.

Last but not least, I would like to commend my fellow board members who have continued to fulfill their commitment and obligations with distinction to the board.

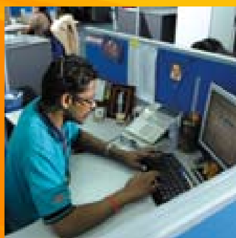
Thank you for all your valuable contribution. I look forward to a better year ahead.

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

Ensuring Safe & Timely Delivery

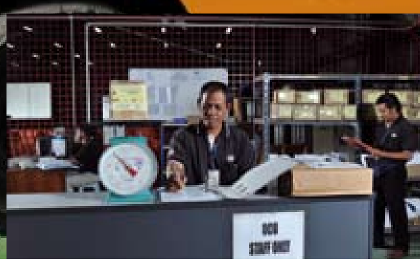
We use all transportation means to ensure our customers' shipments, regardless of size, are collected, processed and delivered to their destinations safely and on time. Our 500-odd motor-cyclists can weave in and out of traffic jams to ensure your small documents are delivered while our 10-tonne trucks with tail-gates allow heavy and large parcels to be uploaded with ease.

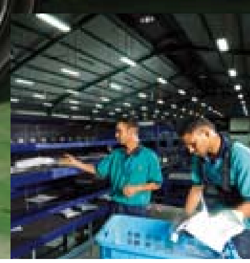

GDEX



Improving Hub Efficiency

We constantly innovate to increase handling and sorting efficiency at our hub. Our automated parcel and document sorters have drastically reduced the time taken to clear our incoming documents while the use of Secured Line-Haul Moveable Compartments (SLMCs) has minimised damages, speed up delivery, improved overall security and accountability of shipments.



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Review Of Operations By
The Chief Executive Officer

Leong Chee Tong
Chief Executive Officer and Executive Director

I am pleased to present my maiden CEO Review of Operations for the financial year ended 30 June 2008. The year under review has been extremely challenging for GD Express Carrier Bhd (GDEX). Amidst an environment of tough competition and rising costs brought about by the hike in fuel prices, the Group continued to grow.

A distinct characteristic in today's express carrier industry, as in other service industry, is ever rising customers' expectations on the quality of service. Our priority is to meet this expectation. Over the past few years, the Group has re-invested almost all its earnings into further strengthening its infrastructure, processes and operating network. The result of this is a modestly improved bottom line but a significant competitive edge within the industry.

For the financial year ended 30 June 2008, turnover increased 19 per cent to RM68.08 million from RM57.36 million previously while pre-tax profit improved 71 per cent to RM4.36 million from RM2.56 million previously. After-tax profit was RM2.98 million compared to RM2.09 million previously, an increase of 43 per cent.

Key Focus Areas

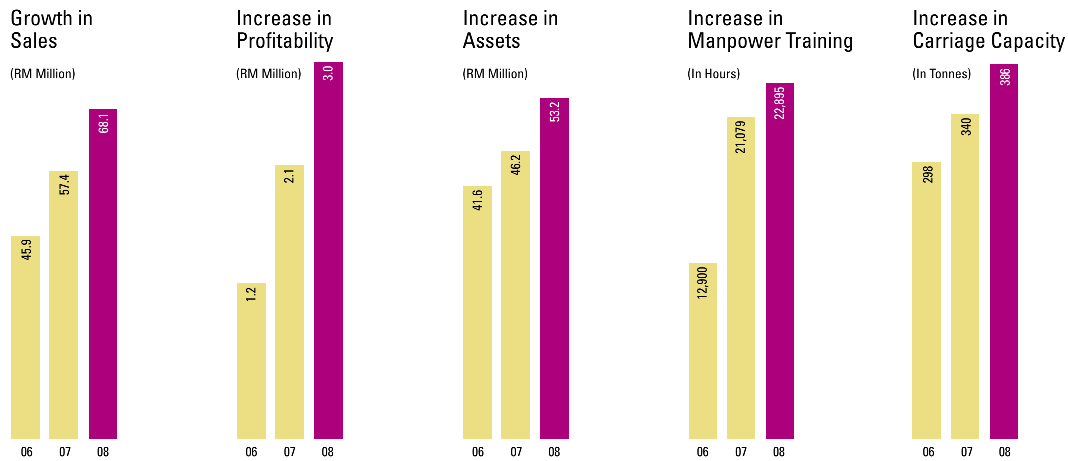
To provide the best service to our customers, the management continued to develop and upgrade its facilities and systems, and at the same time, strengthen the Group's culture of integrity and quality service among its employees.

The Group believes that outsourcing of logistics services will become the key earnings driver for the express delivery industry in time to come. As such, the Group continues to pursue Customised Logistics Solutions (CLS) aggressively as we continue to innovate, customise and integrate our unique solutions to meet the higher customers' expectations. We strongly believe that the key to our continued growth is to help our customers achieve greater efficiency and cost savings.

Our pre-requisite to achieve this is to continue our comprehensive training programmes to upgrade and enhance the skill level and service standards of our front-line staff and the value system of all our employees.

Network Development, Infrastructure and Facilities

Our number of branches has increased from 48 to 50, bringing the total number of stations in the network to 92. Our wholly-owned subsidiary in Singapore, which became operational in February 2007, has enabled our customers reliable access to Singapore and vice-versa for our Singapore customers.



We have completed the upgrade of our hub facilities and have become the first local express carrier to deploy conveyor systems for both parcel and document sorting. The result is improved handling efficiency and higher operational capacity.

To support the anticipated growth in CLS, we have upgraded our warehouse facilities to increase storage capacity and improve handling capabilities.

With the installation of advanced security features and more dedicated handling and reporting procedures, our Secured Shipment Project Department (SSPD) is also better organised to handle high value and high security shipments.

During the financial year, we have added 27 new trucks, including two 10-tonne trucks to cater for the bigger volume and size of our parcel delivery. Our vehicle fleet stands at 249, while our carriage capacity increased to 386 tonnes from 340 tonnes in the previous financial year.

Systems Development

We continue to apply new information technology to develop and enhance our operations. Numerous new applications were being commissioned to further enhance and facilitate operation processes and transactions. Having one of the most advanced and developed web-based information exchange platform in the local express carrier industry, a major portion of our inter-departmental and inter-branch information exchanges are being carried out on time and on-line.

Human Resource

The continued expansion of our operations has necessitated an increase in our staff strength from 1,134 to 1,279. The Group continued to focus on improving the technical skills and operation knowledge of its frontline staff while emphasizing on enhancing management skill and leadership quality of its executives. Meanwhile, programmes have been rolled out to strengthen the acceptance of the GDEX's value among our staff. In the financial year, we have chalked up 22,895 man-hours of structured training as against 21,000 man-hours in previous financial year.

Corporate Governance

The Group has established a Corporate Governance and Compliance Unit (CGCU) that reports directly to the audit committee of the Board of Directors. It is a three-person team of senior managers empowered by the Board of Directors with the authority to monitor and report on the compliance of key policies and the conduct of all senior officers of the Group, including the Chief Executive Officer and the Executive Director.

Corporate Social Responsibility

In line with the corporate social responsibility programme adopted by the Group, we have completed our third blood donation exercise just before the start of the Ramadhan month and collected over 200 packets of blood supplies for the Blood Bank. To-date, the Group's Blood Donation campaign has netted more than 600 standard packets of blood.

Our internship programme with universities and colleges continued to flourish with an intake of 36 student interns for the financial year. To date, we have trained a total of 147 students since the start of the programme in 2004.

Strategic Positioning

In the financial year under review, the Group focused on measures to strengthen the mindset of our people, particularly the loyalty and commitment factor amidst the environment of rising cost. Understanding that a big portion of our people find it hard to make their ends meet, the Group has started implementing a revamp of its human resource structure and remuneration packages of its ground staff, operation executives and managers that continues into the current financial year. This inevitably affects our overhead and margin, but is essential for the Group to form the best team to serve this competitive market. In line with the revision of our employees pay structure, more stringent quality and productivity targets have also been introduced. The result of which, we strongly believe will be seen in the coming year.

The Group also focused on developing new services of customized nature to meet the requirement of the market. One area of breakthrough is our inroad into the home delivery market. Further refinement to our process is being introduced to achieve a higher level of service quality in this business and capture a bigger slice of the market.

Looking Ahead

The management anticipates the new financial year to be extremely uncompromising. Amidst the backdrop of a degenerating financial order, dysfunctional credit market and shrinking asset values, the best scenario is a prolonged slow down in the world economy. At its worst, the situation may develop into a severe recession not seen for generations.

The management has worked out various contingency plans for the different scenario and started making preparation for the worst. We believe at this stage it is most important to focus on strengthening our financial position, customer relation and people commitment. Our priority is to weather the storm and well position ourselves for the great opportunity when the recovery comes. Though the reality can be gloomy, we maintain an optimistic approach and believe we will emerge stronger after the storm is over.

Acknowledgement

I would like to record my sincere appreciation and thanks to Mr Teong Teck Lean, our former Chief Executive Officer, for his contributions in steering the Group to where it is today. His 8-year tenure as the CEO has seen the transformation of a struggling express delivery company into a profitable and forward-looking express carrier group, imbued with a strong culture and belief system.

I thank all my colleagues for their commitment, hard work and sacrifices. I also 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.

Leong Chee Tong
Chief Executive Officer and Executive Director

Strengthening Corporate Culture

One vision, One team. As customers expectations for our service increase, so must our ability to deliver service at international standards. We train our people to anticipate and to provide logistical solutions to our customers by instilling the GDEX culture of service excellence beyond expectations in every one of our GDEX staff through consistent training, workshops and network conferences.

Board Of Directors

from left to right

Lau Wing Tat

Nolee Ashilin binti Mohammed Radzi

Kong Hwai Ming

Teong Teck Lean
Executive Deputy Chairman

Liew Heng Heng

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

Leong Chee Tong
Executive Director & Chief Executive Officer

Directors
Profile

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Independent, Non-Executive Chairman, Malaysian aged 59

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, Alam Maritim Resources 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, Malaysian aged 48

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. Currently, Mr Teong is responsible for developing and setting strategic direction for the Group. He is also playing the role of senior mentor in promoting and inculcating the corporate culture throughout the Group.

Leong Chee Tong
Executive Director and Chief Executive Officer, Singaporean aged 43

He was appointed to the board on 8 February 2005. He has a degree in Accountancy from the National University of Singapore. Mr Leong started his career with Ernst & Young in Singapore in 1989. He then joined Tai Wee, a leading frozen food trading house in Singapore in 1991, before moving on to NTUC Healthcare Cooperative ("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 organizations 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 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. Currently, Mr Leong is responsible for the overall management of the Group as well as overseeing corporatisation of the organisation. He will also be responsible for the setting of performance and quality standards of the Group's service offerings and will be in charge of the co-ordination and allocation of the Group's resources to ensure that the Group is able to provide services that can meet the standards set.

Lau Wing Tat
Non-Independent Non-Executive Director, Singaporean aged 54

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 specializing 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 tenure in GIC, he had developed vast experience and knowledge about the general economy, industries and different business models adopted by established companies throughout the world. He was appointed a member of the GIC Senior Management team overseeing the entire equities investing operations of GIC during his final four years in GIC. In addition, he was appointed as a non-executive director on the Board of Thistle Hotel PLC and to the board of Distacom Communications Limited (Hong Kong) by GIC. He joined GD Express 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. He is currently the advisor to Siam Commercial Bank of Thailand and a member of the Investment Committee at NTUC Income of Singapore.



Kong Hwai Ming
Non-Independent Non-Executive Director,
Singaporean aged 48

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 specializing 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 51

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 Senior Finance and Administration Manager where she is currently based.

Nolee Ashilin binti Mohammed Radzi
Independent Non-Executive Director,
Malaysian aged 33

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. In 2003, she became an Associate Consultant for Atarek Kamil and Co. and in 2004, she joined the Ministry of Youth and Sports as a Research Officer in the Minister's Office. She is an Associate Member of Certified Practicing Accountant ("CPA") Australia. She is currently serving as a State Assemblyman in Perak for the Tualang Sekah constituency.

Senior Management

from left to right (first row)

Lisa Chan

Tiang Chen Chen

Hazlin Abu Hasan

from left to right (second row)

Marmizahsalwa Ahmad Tarmizi

Stella J. Khan

Jane Tung

Caryn Kwok

from left to right (third row)

Sundelasagran a/l Suppiah

Cheng Kee Leong

Wong Eng Su

Profile of Senior Management

Cheng Kee Leong
Head of Transport Division, aged 53

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 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 38

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. She held various positions in the company before being promoted to 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 Customer Support HQ, aged 37

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 Support HQ, aged 50

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.

Caryn Kwok
Head of Quality Assurance, aged 34

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 in 2001 as Senior Finance Executive. 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 48

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 as Quality Controller. He then moved to Nationwide Express 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.

Jane Tung
Chief Financial Officer, aged 42

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 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 35

He started his career as transport contractor for National Panasonic, Likom and Ranger Communication in 1992. He later joined GD Express 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.

Marmizahsalwa Ahmad Tarmizi
Head of Domestic, Public Relations and Communications, aged 27

She graduated with a Vice-Chancellor Award in Bachelor of Business Administration (International Business) First Class, from University Technology MARA. She has also been chosen as a GD Express scholar. Upon her graduation in 2005, she joined GD Express as an Executive of Corporate Planning & Development. Over a one-year period, she held the position of Head of Customer Service 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.

Stella J. Khan
Head of Brand Development & Marketing and concurrently Head of Business Development, aged 35

She holds a Diploma in Private Secretaryship (PSC) from Stamford Ladies College and Diploma in Executive Secretaryship (DES) from Stamford College. She started her secretarial career in the hotel industry and later joined a few corporate companies. She later moved to GD Express in 2001 as a Senior Officer in the Sales Support Department. Before assuming her present position, she was the Head of Sales Support Department. She is responsible for the implementation of the company strategy in relation to market positioning and brand enhancement.

Corporate Information

Company Secretaries
Wong Wei Fong (MAICSA 7006751)
Lim Lee Kuan (MAICSA 7017753)

Registered Office
Level 18, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03 2264 8888
Fax : 03 2282 2733

Corporate Head Office
19, Jalan Tandang
46050 Petaling Jaya
Selangor Darul Ehsan
Tel : 03 7787 2222
Fax : 03 7787 6686

Share Registrar
PFA Registration Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03 2264 3883
Fax : 03 2282 1886

Auditors
Deloitte KassimChan (AF0080)
Chartered Accountants
Level 19, Uptown 1, 1 Jalan SS21/58
Damansara Uptown, 47400 Petaling Jaya
Tel : 03 7723 6500
Fax : 03 7726 3986

Advocates & Solicitors
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

Principal Banker
Malayan Banking Berhad (3813-K)
11, Jalan 51A/222
46100 Petaling Jaya
Tel : 03 7958 4103
Fax : 03 7956 2860

Stock Exchange Listing
Mesdaq Market of Bursa Malaysia
Securities Berhad

Investors' Information
Stock Name : GDEX
Stock Code : 0078

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 Board is the ultimate executive level of GDEX Group ("the Group"). It resolves key business matters and corporate policies, except for those reserved for shareholders as provided in the Articles of Association in accordance with the Companies Act, 1965 and other relevant regulations.

The Board is primarily responsible for setting 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 takes full responsibility for the performance of GDEX Group. 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 consists of seven (7) members, comprising of :

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

The Board composition complies with Rule 15.02 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. All the Independent Directors are independent of management and are free from any relationship that could materially interfere with their judgement and decision.

1.3 Board Balance and Effectiveness

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

A brief profile of each of the Directors is presented on pages 17 to 19 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 and 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 2008, the Board of Directors met five (5) times , which are as follows:-

- 14 August 2007
- 23 October 2007
- 16 November 2007
- 22 February 2008
- 13 May 2008

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	4/5	80
(iv)	Lau Wing Tat	5/5	100
(v)	Kong Hwai Ming	4/5	80
(vi)	Nolee Ashilin Binti Mohammed Radzi	4/5	80
(vii)	Liew Heng Heng	5/5	100

All meetings were held at the Conference Room of the Company at No. 19, 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, at least 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 36 to 41 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 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 Mohammed Radzi	Independent Non-Executive Director

1.8 Supply of Information

The Chairman ensures that all Directors have unrestricted access to timely and accurate information in the furtherance of their duties. Board papers are distributed in advance to enable 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 Directors possess the commitment to quality, and to create value by being relevant at all times, consistent with evolving changes and challenges in the business environment. The Directors, in this connection, have participated in and benefited from numerous conferences, seminars and training programmes on areas pertinent to the enhancement of their roles and responsibilities as Directors of a public listed company.

Conferences, seminars and training programmes attended by Directors during the financial year under review are as follows :

- Asia Pacific Mail & Express 2007
- Inside the Mangled Mind of a Modern Fund Manager – How to Deal Effectively with Stressed and Skeptical Institutional Investors
- Effective Annual Report : A Strategic Approach
- Briefing Session on the Future of the Courier Industry in Malaysia
- Briefing Session on Courier Industry Challenge
- Enterprise Risk Management
- Financial Analysis Using Excel
- Bank Negara Malaysia Annual Report 2007 and Financial Stability and Payment Systems Report 2007
- Corporate Governance and Fraud – An Update
- Audit Committee and the Internal Audit Function
- Executing Brand Management Programme
- Audit Committee & Accounting Manipulation
- Corporate Social Responsibility
- Blue Ocean Strategy
- Improving Board of Directors Performance, Leadership & Governance
- Global Factor Impacting Malaysia

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 2008 categorized into appropriate components are as follows:

	Executive Directors RM	Non-Executive Directors RM
Remuneration		
- Salaries and other emoluments	475,566	66,030
- Fees	–	103,200
- Benefit in kind	12,600	–
	488,166	169,230

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

	Number of Directors	
Range of Remuneration	**Executive Directors**	**Non-Executive Directors**
Below RM50,000	–	4
RM 50,001 – RM100,000	–	1
RM200,001 – RM250,000	2	–

3. Investors 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.

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

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

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

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

Corporate Disclosure Committee (CDC)
- 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 pages 42 to 44 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 36 to 41 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 2008 on pages 46 to 95 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 2008, 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 2008 pursuant to the Shareholders' Mandate obtained by the Group at the Annual General Meeting held on 10 December 2007 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 2008 (RM)**
Provision of software update and maintenance necessary for the operations of the Group	GDTech	GDX	Teong Teck Lean Leong Chee Tong	259,500
Provision of software training.	GDSB	GDX	Teong Teck Lean Leong Chee Tong	517,500

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 shareholder.

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 2008.

5.5 Depository Receipt Programme

The Company did not sponsor any depository receipt programme for the financial year ended 30 June 2008.

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 2008, 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 2008.

5.9 Profit Guarantee

During the financial year ended 30 June 2008, there were no profit guarantees given by the Company.

5.10 Revaluation Policy on Landed Properties

As disclosed in Note 11 to the financial statements, the Group had revalued its leasehold building included under property, plant and equipment based on an independent valuation report. The surplus arising from revaluation has been credited to revaluation reserve account as disclosed in Note 19 to the financial statements.

The revaluation policy on landed properties classified as investment properties are as disclosed in Note 3 to the financial statements.

5.11 Utilisation of Proceeds

During the financial year ended 30 June 2008, there were no new issue of shares and no proceeds derived thereto.

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 2008.

Membership

During the financial year, the Audit Committee comprises the following members, a majority of whom are Independent Directors and all are 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)	Nolee Ashilin binti Mohammed Radzi (appointed w.e.f. 23 Oct 2007)	Independent Non-Executive Director (Member)
(v)	Leong Chee Tong (resigned w.e.f. 23 Oct 2007)	Chief Executive Officer (Member)

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. All the Committee Members must be non-executive directors, with a majority of them being independent directors.

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

1.1 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.

1.2 Chairman

The member of the Committee shall elect a Chairman from among themselves who shall be an Independent Director. The Chairman of the Committee should engage on a continuous basis with senior management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

2. Membership

All the Committee members must be financially literate, with at least one member of the Committee:-

- Must be a member of the Malaysian Institute of Accountants; or
- If he is not a member of the Malaysian Institute of Accountants, the member must have at least 3 years' working experience and:-

  (a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or

  (b) he 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 or approved by Bursa Securities.

An Alternate Director must not be appointed as member of the 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 twice a year, the Committee shall meet with the external auditors without the presence of any executive Board member and management.

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 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 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 Committee and also to the other members of the Board of Directors, when the Committee deems necessary.

The internal auditors have the right to appear and be heard at any meeting of the Committee and are recommended to attend each Committee meeting.

Upon the request of the internal auditors and/or external auditors, the Committee Chairman shall also convene a meeting of the Committee to consider any matter the auditor(s) believes should be brought to the attention of the Board of Directors or the shareholders.

Where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of Bursa Securities' requirements, the Committee must promptly report such matter to Bursa Securities.

6. Duties and Responsibilities

The duties and responsibilities of the Committee should include the following:-

- To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
- To discuss with the external auditor before the audit commences, the nature and scope of the audit, the audit plans and ensure coordination where more than one audit firm is involved;
- To review with the external auditor, his evaluation of the system of internal control;
- To review with the external auditor, his audit report;
- To review the quarterly results and year-end financial statements of the Company, prior to the approval by the Board of Directors, focusing particularly on:-
  - o any changes in or implementation of major accounting policies and practices;
  - o significant adjustments arising from the audit;
  - o the going concern assumption; and
  - o 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 transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity;
- To consider the major findings of internal investigations and management's response;
- To review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- To review the internal audit programme, processes and results of the internal audit programme, processes and the results of the internal audit process and where necessary ensure that appropriate actions taken on the recommendations of the internal audit function;
- To review any appraisal or assessment on the performance of members of the internal audit functions;
- To approve any appointment or termination of senior staff members of the internal audit function;
- To 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 of Directors;
- 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; and
- To review the assistance given by the employees of the Company to the external auditors.

Summary of Activities of the Audit Committee

During the financial year ended 30 June 2008, the Audit Committee met five (5) times on the following dates:-

- 14 August 2007
- 23 October 2007
- 16 November 2007
- 22 February 2008
- 13 May 2008

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

	Members	No. of Meetings Attended Whilst in Office	%
(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)	Nolee Ashilin binti Mohammed Radzi	3/4	75
(v)	Leong Chee Tong	2/2	100

All Audit Committee meetings were held at the Conference Room of the Company, at No. 19, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The activities of the Audit Committee include the following:-

1. Financial Reporting

(a) reviewed the quarterly and half-yearly unaudited financial results of the Group before recommending them for approval by the Board of Directors;

(b) reviewed the annual audited financial statements of GDEX Group with the external auditors prior to submission to the Board of Directors for their approval. The review was to ensure that the financial reporting and disclosures are in compliance with:
- Provisions of the Companies Act, 1965;
- Listing Requirements of Bursa Malaysia Securities Berhad;
- Applicable approved accounting standards in Malaysia, and
- Other legal and regulatory requirements.

In the review of the annual audited financial statements, the Audit Committee discussed with management and the external auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements.

2. Internal Audit

(a) reviewed the annual audit plan to ensure adequate scope and comprehensive coverage over the activities of GDEX Group;
(b) reviewed internal audit reports which were tabled during the year, the audit recommendations made and management's response to these recommendations.
(c) monitored the corrective actions on the outstanding audit issues to ensure that all the key risks and control lapses have been addressed.

3. External Audit

(a) reviewed with the external auditors:

- their audit plan, audit strategy and scope of work for the year;
- the results of the annual audit, their audit report and management letter together with management's response to the findings of the external auditors.

4. Related Party Transactions

Reviewed and considered any related party transactions that may or have arise within the Company or the Group.

During the financial year ended 30 June 2008, 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 adequacy and effectiveness of the risk management, internal control and governance process. Periodic activities were carried out to provide the Committee with reasonable assurance that such systems continued to operate satisfactorily and effectively.

The total cost incurred by the Internal Audit Department in relation to the conduct of the internal audit functions of the Group during the financial year ended 30 June 2008 amounted to RM152,330.

Summary of activities that were carried out by the internal audit function include:

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

2. Internal audit executed in accordance with the approved annual audit plan. During this financial year, the internal audit review has been extended to six (6) branches. These 6 branches are as follows:
   (a) Penang
   (b) Butterworth
   (c) Subang Jaya
   (d) Kota Bahru
   (e) Kuantan and
   (f) Kajang.

3. Reported on the results of internal audit reviews to the Committee on a periodic basis;

4. Followed-up on the implementation of audit recommendations and action plans agreed by the Management; 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.

Statement on Internal Control

Responsibility

The Board of Directors ("Board") has overall responsibility for the adequacy and integrity of the Group's systems of internal control including the review of its effectiveness. However, such internal control system is designed to manage the Group's risks within an acceptable risk profile, rather than eliminate the risk of failure to achieve the policies and business objectives of the Group. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has established an on-going process to identify, evaluate and manage the significant risks faced by the Group and this process includes updating the system of internal controls when there are changes to business environment or regulatory guidelines. 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.

The Board is of the view that the system of internal controls in place for the year under review and up to the date of issuance of the financial statements is sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets. Notwithstanding this, the Board is vigilant and continues to review the effectiveness and adequacy of the systems of internal control, in view of the dynamic and changing business environment.

The management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

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

- 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.

- 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 to ensure compliance with internal controls and the relevant laws and regulations. These documented systems, policies, procedures and practices are continually updated, communicated and accessible to all employees. There are guidelines and authority limits imposed on executive directors and management within the Group in respect of the day-to-day operations, extension of credits, investments, acquisitions and disposals of assets.

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 that 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 that are related to the risk management needs of the Group. Audits are carried out on all units and branches, the frequency of which is determined by the level of risk assessed, to provide an independent and objective report on operational and management activities of these units and branches. The areas of review are set out in a three-year internal audit plan that 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 that 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 that 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.

4. Audit Committees

The Audit Committees of the Group review internal control issues identified by the internal auditor, the external auditors, regulatory authorities and management, and evaluate the adequacy and effectiveness of the risk management and internal control systems. They also review the internal audit functions with particular emphasis on the scope of audits and quality of internal audits. The minutes of the Audit Committee meetings are tabled to the Board every quarter. Further details of the activities undertaken by the Audit Committee are set out in the Audit Committee Report.

Review Of The Statement By External Auditors

The external auditors have reviewed this Statement on Internal Control for the inclusion in the annual report of the Group for the year ended 30 June 2008 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

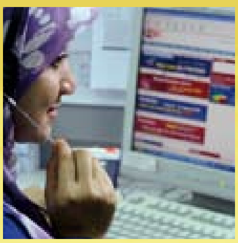
Statement made in accordance with the resolution of the Board of Directors dated 30 October 2008.

Financial Highlights

	Group year ended 30 June 2008 RM'000	Group year ended 30 June 2007 RM'000	Group year ended 30 June 2006 RM'000
Revenue	68,080	57,365	45,866
Profit from operations	4,442	2,904	1,959
Profit before tax	4,364	2,558	1,724
Profit after tax	2,976	2,087	1,206
Return on revenue	4%	4%	3%
Profit attributable to ordinary equity holders	2,976	2,087	1,206
Net assets	38,282	34,757	32,690
Paid-up capital	25,719	25,719	25,719
Shareholders' equity	38,282	34,757	32,690
Share information			
(Ordinary shares of RM0.10 each)			
Number of shares in issue (1) ('000)	257,186	257,186	257,186
Earnings per share (sen)	1.16	0.81	0.47
Net assets per share (RM)	0.15	0.14	0.13
Share price at end of financial year (RM)	0.615	0.970	0.825

Notes : 1 In May 2006, there was a bonus issue of 51,437,208 new ordinary share by capitalising RM5,143,721 from the share premium account.

Financial Statements
for the year ended 30 June 2008



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 2008.

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 15 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 before tax	4,364,181	2,112,946
Income tax expense	(1,388,582)	(593,395)
Profit for the year	2,975,599	1,519,551

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 proposed a final dividend of 5%, less 25% tax, in respect of the year ended 30 June 2008. The proposed dividend, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, has not been included as a liability in the financial statements.

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 amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

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

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

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the 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' Capt. 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. Leong Chee Tong, Lau Wing Tat and Kong Hwai Ming 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 1.7.2007	**Bought**	**Sold**	**Balance as of 30.6.2008**
Shares in the Company				
Direct interest				
Dato' Capt. 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	9,298,950	114,100	–	9,413,050
Indirect interest				
Registered in the name of GD Express Holdings (M) Sdn. Bhd.				
Teong Teck Lean	84,157,896	–	(356,400)	83,801,496
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' Capt. 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 23 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,
30 October 2008

Independent Auditors' Report to the member of GD Express Carrier Berhad

Report on the Financial Statements

We have audited the financial statements of GD Express Carrier Berhad, which comprise the balance sheets as of 30 June 2008 of the Group and of the Company and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 51.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit 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 contents of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2008 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;

(b) We have considered the accounts and auditors' reports of subsidiary companies of which we have not acted as auditors, as shown in Note 15 to the financial statements, being accounts that have been included in the financial statements of the Group;

(c) We are satisfied that the accounts 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 purpose of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and

(d) The auditors' reports on the accounts 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
Partner - 1304/05/10 (J/PH)
Chartered Accountant

30 October 2008

Income Statements for the year ended 30 June 2008

	Note	The Group 2008 RM	The Group 2007 RM	The Company 2008 RM	The Company 2007 RM
Revenue	6	68,079,574	57,364,719	2,422,000	–
Staff costs	7	(30,404,463)	(25,619,308)	–	–
Other operating expenses	7	(28,262,493)	(24,833,336)	(573,499)	(353,000)
Depreciation of property, plant and equipment	11	(4,879,910)	(4,205,241)	–	–
Amortisation of prepaid lease payments	13	(90,242)	(101,349)	–	–
Finance costs	8	(671,376)	(346,629)	–	–
Other operating income	7	593,091	298,834	264,445	264,532
Profit/(Loss) before tax		4,364,181	2,557,690	2,112,946	(88,468)
Income tax (expense)/credit	9	(1,388,582)	(471,048)	(593,395)	39,696
Profit/(Loss) for the year		2,975,599	2,086,642	1,519,551	(48,772)
Earnings per ordinary share					
Basic (sen)	10	1.16	0.81		

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

Balance Sheets as of 30 June 2008

	Note	The Group 2008 RM	The Group 2007 RM	The Company 2008 RM	The Company 2007 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	11	17,547,055	15,971,491	–	–
Investment property	12	2,750,000	–	–	–
Prepaid lease payments	13	4,505,949	6,882,687	–	–
Goodwill on consolidation	14	137,141	137,141	–	–
Investment in subsidiary companies	15	–	–	17,069,406	17,309,356
Total Non-current Assets		24,940,145	22,991,319	17,069,406	17,309,356
Current Assets					
Inventories – at cost		314,637	354,974	–	–
Trade receivables	16	18,166,249	12,777,420	–	–
Other receivables and prepaid expenses	16	3,458,280	4,237,645	28,750	1,352
Tax recoverable		122,210	361,180	116,075	29,284
Amount owing by subsidiary companies	17	–	–	7,000,599	5,984,439
Deposits with licensed banks		5,623,829	3,760,415	3,456,900	2,766,619
Cash and bank balances		528,397	1,712,495	27,618	76,895
Total Current Assets		28,213,602	23,204,129	10,629,942	8,858,589
Total Assets		53,153,747	46,195,448	27,699,348	26,167,945

(Forward)

	Note	The Group 2008 RM	The Group 2007 RM	The Company 2008 RM	The Company 2007 RM
EQUITY AND LIABILITIES					
Capital and Reserve					
Share capital	18	25,718,604	25,718,604	25,718,604	25,718,604
Reserves	19	12,563,440	9,038,610	1,845,692	326,141
Total Equity		38,282,044	34,757,214	27,564,296	26,044,745
Non-current and Deferred Liabilities					
Hire-purchase payables					
- non-current portion	20	2,284,933	2,268,780	–	–
Borrowings (secured)					
- non-current portion	21	3,719,480	903,091	–	–
Deferred tax liabilities	22	81,700	7,640	–	–
Total Non-current and Deferred Liabilities		6,086,113	3,179,511	–	–
Current Liabilities					
Trade payables	23	2,571,065	3,051,736	–	–
Other payables and accrued expenses	23	2,415,137	2,137,031	135,052	123,200
Hire-purchase payables					
- current portion	20	2,864,344	2,239,705	–	–
Borrowings (secured)					
- current portion	21	520,643	830,251	–	–
Tax liabilities		414,401	–	–	–
Total Current Liabilities		8,785,590	8,258,723	135,052	123,200
Total Liabilities		14,871,703	11,438,234	135,052	123,200
Total Equity and Liabilities		53,153,747	46,195,448	27,699,348	26,167,945

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

Statements of Changes in Equity for the year ended 30 June 2008

The Group	Issued capital RM	Share premium RM	Translation reserve RM	Retained earnings RM	Revaluation reserve RM	Total RM
Balance as of 1 July 2006	25,718,604	626,958	–	6,344,276	–	32,689,838
Income/(Expense) 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/(expense)	–	(8,888)	(10,378)	2,086,642	–	2,067,376
Balance as of 30 June 2007/ 1 July 2007	25,718,604	618,070	(10,378)	8,430,918	–	34,757,214
Income/(Expense) recognised directly in equity:						
Translation reserve	–	–	(20,132)	–	–	(20,132)
Revaluation surplus	–	–	–	–	569,363	569,363
Profit for the year	–	–	–	2,975,599	–	2,975,599
Total recognised income/(expense)	–	–	(20,132)	2,975,599	569,363	3,524,830
Balance as of 30 June 2008	25,718,604	618,070	(30,510)	11,406,517	569,363	38,282,044

The Company	Issued capital RM	Share premium RM	Retained earnings/ (Accumulated loss) RM	Total RM
Balance as of 1 July 2006	25,718,604	626,958	(243,157)	26,102,405
Expense recognised directly in equity:				
Share issue expenses	–	(8,888)	–	(8,888)
Loss for the year	–	–	(48,772)	(48,772)
Total recognised income/(expense)	–	(8,888)	(48,772)	(57,660)
Balance as of 30 June 2007/ 1 July 2007	25,718,604	618,070	(291,929)	26,044,745
Total recognised income/(expense):				
Profit for the year	–	–	1,519,551	1,519,551
Balance as of 30 June 2008	25,718,604	618,070	1,227,622	27,564,296

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

Cash Flow Statements for the year ended 30 June 2008

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit/(Loss) for the year	2,975,599	2,086,642	1,519,551	(48,772)
Adjustments for:				
Depreciation of property, plant and equipment	4,879,910	4,205,241	–	–
Income tax expense/(credit) recognised in the income statements	1,388,582	471,048	593,395	(39,696)
Finance costs	671,376	346,629	–	–
Bad debts written off	513,635	463,700	–	–
Amortisation of prepaid lease payments	90,242	101,349	–	–
Impairment loss of investment in subsidiary companies	–	–	239,950	–
Gain on fair value adjustment of investment property	(289,504)	–	–	–
Interest income	(143,969)	(193,244)	(84,445)	(144,532)
Unrealised (gain)/loss on foreign exchange	(29,589)	5,509	–	–
Gain on disposal of property, plant and equipment	(18,058)	(13,810)	–	–
Allowance for doubtful debts	–	159,247	–	–
Property, plant and equipment written off	–	1,719	–	–
Dividend income	–	–	(2,422,000)	–
Operating Profit/(Loss) Before Working Capital Changes	10,038,224	7,634,030	(153,549)	(233,000)
(Increase)/Decrease in:				
Inventories	40,337	(85,603)	–	–
Trade receivables	(5,902,464)	(2,544,455)	–	–
Other receivables and prepaid expenses	779,365	291,946	(27,398)	289,648
Amount owing by subsidiary companies	–	–	(1,016,160)	177,594
Increase/(Decrease) in:				
Trade payables	(451,082)	314,322	–	–
Other payables and accrued expenses	278,106	804,309	11,852	(2,004)
Cash Generated From/(Used In) Operations	4,782,486	6,414,549	(1,185,255)	232,238
Income tax paid	(661,151)	(857,588)	(50,466)	(62,588)
Net Cash From/(Used In) Operating Activities	4,121,335	5,556,961	(1,235,721)	169,650

(Forward)

	Note	The Group 2008 RM	The Group 2007 RM	The Company 2008 RM	The Company 2007 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Additions to property, plant and equipment (Note)		(2,598,949)	(3,808,436)	–	(5,539,174)
Additions to prepaid lease payments		(174,000)	(4,474,658)	–	–
Proceeds from disposal of property, plant and equipment		40,754	56,500	–	–
Interest received		143,969	193,244	84,445	144,532
Dividend received		–	–	1,792,280	–
Additional investment in subsidiary companies		–	–	–	(234,471)
Net Cash (Used In)/From Investing Activities		(2,588,226)	(8,033,350)	1,876,725	(5,629,113)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
(Decrease)/Increase in bank borrowings, excluding Islamic debt facilities		(673,200)	673,200	–	–
Proceed from Islamic debt facilities		3,500,000	–		
Repayment of Islamic debt facilities		(320,019)	(243,060)	–	–
Payments of hire-purchase payables		(2,647,596)	(1,969,903)	–	–
Finance costs paid		(671,376)	(346,629)	–	–
Share issue expenses incurred		–	(8,888)	–	(8,888)
Net Cash Used In Financing Activities		(812,191)	(1,895,280)	–	(8,888)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		720,918	(4,371,669)	641,004	(5,468,351)
Effect of exchange differences		(41,602)	(10,158)	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		4,819,910	9,201,737	2,535,514	8,003,865
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	5,499,226	4,819,910	3,176,518	2,535,514

Note: During the financial year, the Group and the Company acquired property, plant and equipment at an aggregate cost of RM5,887,337 and RMNil (2007: RM7,120,312 and RM5,539,174) respectively, of which RM3,288,388 and RMNil (2007: RM3,311,876 and RMNil) 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 RM2,598,949 and RMNil (2007: RM3,808,436 and RM5,539,174) respectively.

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 15.

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 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 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 30 October 2008.

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.

Change in Accounting Policies

In prior years, building was stated at cost less accumulated depreciation and any impairment losses. During the financial year, the Group changed its accounting policy to state the building at valuation less any accumulated depreciation and any impairment losses.

This change in accounting policy has resulted in a revaluation surplus of RM569,363 as disclosed in Note 11.

Adoption of New and Revised Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the new and revised Financial Reporting Standards ("FRS"), Amendments to FRS and Interpretations issued by MASB that are relevant to its operations and effective for periods beginning on or after 1 July 2007 as follows:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 117	Leases
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 124	Related Party Disclosures
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation (effective 1 July 2007)

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

The adoption of the abovementioned new and revised FRSs did not have any significant financial impact on the financial statements of the Group and of the Company for the current and prior financial years except for FRS 117 as disclosed below:

FRS 117 Leases

Prior to adoption of FRS 117, the Group recognised leasehold land as property, plant and equipment at cost less accumulated depreciation and any impairment losses.

Under the revised FRS 117, leasehold land is treated as operating lease unless the title will be passed to the leasee at the end of the lease term. With the adoption of the revised FRS 117, the leasehold land is reclassified as a separate item within non-current assets in the balance sheets as prepaid lease payments. The reclassification of the assets as prepaid lease payments has been accounted for retrospectively and as disclosed in Note 28, certain comparative figures have been restated. The leasehold land is amortised over the period of its remaining lease term.

The change has no impact on the income statements for the current and prior financial years other than the change in presentation of the income statements and balance sheets.

Accounting Standards Issued but Not Effective

The following new FRS has been issued but not yet effective until future periods:

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

FRS 139 Financial Instruments: Recognition and Measurement is effective for accounting periods beginning on or after 1 January 2010. This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group will apply this standard from financial year ending 30 June 2011.

By virtue of the exemption in paragraph 103AB of FRS 139, the impact of applying FRS 139 on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

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 except as otherwise disclosed in the summary of significant accounting policies.

Revenue

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

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

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and of all its subsidiary companies listed under Note 15 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 foreign Group entity are presented in the currency of the primary economic environment in which such 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 entity's 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.

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, if any, are classified as equity and transferred to the Group's translation reserve account. Such translation differences are recognised in the income statements in the period in which the foreign operation is disposed of.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statements for the year.

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

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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statements, except for asset previously revalued where the revaluation was taken to equity. In this case, the impairment is recognised in equity up to the amount of any previous revaluation.

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

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 or valuation less accumulated depreciation and any impairment losses.

Building stated at valuation is revalued at regular intervals of at least once in every five years by the directors based on the valuation reports of independent professional valuers with additional valuation in the intervening years where market conditions indicate that the carrying values of the revalued assets differ materially from market value.

An increase in carrying amount arising from revaluation of property, plant and equipment is credited to the revaluation reserve account as revaluation surplus. Any deficit arising from revaluation is charged against the revaluation reserve account to the extent of the previous surplus held in the revaluation account for the same asset. In all other cases, a decrease in carrying amount is charged to the income statements. An increase in revaluation directly related to a previous decrease in carrying amount for that same asset that was recognised as expense, is credited to the income statements to the extent that it offsets the previously recorded decrease.

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:

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 estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements. On disposal of revalued assets, the amounts in the revaluation reserve account relating to such assets are transferred to retained earnings.

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.

Investment Property

Investment property is property held for long-term rental yields or for capital appreciation or both, and is not occupied by the Group.

Investment property is stated at fair value, representing open-market value determined by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. A gain or loss arising from changes in the fair value of investment property is recognised in the income statements in the year in which they arise.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised. The difference between the net disposal proceeds and the carrying amount is recognised in the income statements in the period of the retirement or disposal.

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.

Receivables

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

Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are measured at the directors' best estimate of the amount required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

At each balance sheet date, provisions are reviewed by the directors and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Group will be required to settle the obligation.

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 Group 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.

Fair value of investment property and property, plant and equipment

The directors use their judgement in selecting and applying an appropriate valuation technique, by relying on the work of independent firm of valuers, for investment property and property, plant and equipment stated at fair value/valuation. Fair value/valuation are determined using open-market value based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

5. SEGMENT REPORTING

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

6. REVENUE

	The Group		The Company	
	2008 RM	**2007 RM**	**2008 RM**	**2007 RM**
Income from provision of express delivery services	68,079,574	57,364,719	–	–
Dividend income from subsidiary company	–	–	2,422,000	–
	68,079,574	57,364,719	2,422,000	–

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

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

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Gain on fair value adjustment of investment property	289,504	–	–	–
Interest income	143,969	193,244	84,445	144,532
Rental income	66,000	72,000	–	–
Gain on disposal of property, plant and equipment	18,058	13,810	–	–
Gain/(Loss) on foreign exchange:				
Unrealised	29,589	(5,509)	–	–
Realised	4,498	(6,440)	–	–
Rental of premises	(2,808,643)	(2,548,929)	–	–
Bad debts written off	(513,635)	(463,700)	–	–
Directors' remuneration:				
Salaries and other emoluments	(452,010)	(442,855)	(24,000)	(15,400)
Employees Provident Fund	(50,936)	(46,726)	–	–
Fees	(141,850)	(139,200)	(103,200)	(103,200)
Auditors' remuneration:				
Current year	(60,525)	(58,113)	(20,000)	(20,000)
Underprovision in prior year	(4,000)	(2,000)	(4,000)	–
Impairment loss of investment in subsidiary companies	–	–	(239,950)	–
Allowance for doubtful debts	–	(159,247)	–	–
Property, plant and equipment written off	–	(1,719)	–	–

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 RM1,929,318 (2007: RM1,753,083).

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group during the financial year amounted to RM12,600 (2007: RMNil).

Direct operating expenses of the Group arising from the rental of investment property during the financial year amounted to RM53,931 (2007: RM16,565).

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel consist of the directors of the Group and the Company.

8. FINANCE COSTS

	The Group	
	2008 RM	2007 RM
Interest expense on:		
Hire-purchase	487,254	219,286
Islamic debt facilities	121,824	85,230
Trust receipts	47,632	29,328
Finance lease	14,585	12,648
Bank overdraft	81	137
	671,376	346,629

9. INCOME TAX (EXPENSE)/CREDIT

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Estimated tax payable:				
Current	(1,217,044)	(763,500)	(594,065)	(18,000)
(Under)/Overprovision in prior years	(97,478)	(60,908)	670	57,696
	(1,314,522)	(824,408)	(593,395)	39,696
Deferred tax (Note 22):				
Current	6,940	(142,503)	–	–
(Under)/Overprovision in prior years	(81,000)	495,863	–	–
	(74,060)	353,360	–	–
	(1,388,582)	(471,048)	(593,395)	39,696

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	
	2008 RM	2007 RM	2008 RM	2007 RM
Profit/(Loss) before tax	4,364,181	2,557,690	2,112,946	(88,468)
Tax at tax rate of 26% (2007: 27%)	(1,134,689)	(690,576)	(549,366)	23,886
Tax effects of expenses that are not deductible in determining taxable profit	(299,415)	(215,427)	(44,699)	(41,886)
Realisation of deferred tax asset previously not recognised	224,000	–	–	–
(Under)/Overprovision in prior years:				
Current tax	(97,478)	(60,908)	670	57,696
Deferred tax	(81,000)	495,863	–	–
Income tax (expense)/credit	(1,388,582)	(471,048)	(593,395)	39,696

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 2008, 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	
	2008 RM	2007 RM
Tax effects of:		
Temporary differences arising from:		
Property, plant and equipment	(521,000)	(431,000)
Trade receivables	580,000	658,000
Unused tax losses	–	43,000
Unabsorbed capital allowances	–	13,000
	59,000	283,000

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

10. EARNINGS PER ORDINARY SHARE

Basic

	The Group	
	2008	**2007**
	RM	**RM**
Net profit attributable to ordinary shareholders	2,975,599	2,086,642

	2008	**2007**
	Shares	**Shares**
Number of shares in issue	257,186,038	257,186,038
Basic earnings per ordinary share (sen)	1.16	0.81

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Long-term leasehold land RM	Building -at valuation RM	Office equipment, furniture and fittings RM	Computer hardware and software RM	Tools and equipment RM	Motor vehicles RM	Renovation RM	Total RM
Cost (or otherwise stated)								
As of 1 July 2006:								
As previously stated	2,611,083	–	2,485,977	7,302,266	207,715	8,973,028	2,349,034	23,929,103
Effects on adoption of FRS 117 (Note 13)	(2,611,083)	–	–	–	–	–	–	(2,611,083)
As restated	–	–	2,485,977	7,302,266	207,715	8,973,028	2,349,034	21,318,020
Additions:								
As previously stated	4,474,658	1,064,516	746,155	852,593	911,737	2,657,631	887,680	11,594,970
Effects on adoption of FRS 117 (Note 13)	(4,474,658)	–	–	–	–	–	–	(4,474,658)
As restated	–	1,064,516	746,155	852,593	911,737	2,657,631	887,680	7,120,312
Write offs/Disposals	–	–	(1,770)	–	–	(99,553)	–	(101,323)
As of 30 June 2007/ 1 July 2007	–	1,064,516	3,230,362	8,154,859	1,119,452	11,531,106	3,236,714	28,337,009
Additions	–	–	370,460	692,799	412,064	3,795,544	616,470	5,887,337
Disposals	–	–	(1,390)	(2,989)	–	(81,532)	–	(85,911)
Revaluation surplus	–	569,363	–	–	–	–	–	569,363
Eliminated on revaluation	–	(33,879)	–	–	–	–	–	(33,879)
Exchange differences	–	–	1,541	365	88	18,262	6,713	26,969
As of 30 June 2008	–	1,600,000	3,600,973	8,845,034	1,531,604	15,263,380	3,859,897	34,700,888

(Forward)

The Group	Long-term leasehold land RM	Building -at valuation RM	Office equipment, furniture and fittings RM	Computer hardware and software RM	Tools and equipment RM	Motor vehicles RM	Renovation RM	Total RM
Accumulated Depreciation								
As of 1 July 2006:								
As previously stated	101,705	–	860,629	2,598,450	99,999	3,632,657	1,025,236	8,318,676
Effects on adoption of FRS 117 (Note 13)	(101,705)	–	–	–	–	–	–	(101,705)
As restated	–	–	860,629	2,598,450	99,999	3,632,657	1,025,236	8,216,971
Charge for the year:								
As previously stated	101,349	12,482	290,069	1,491,107	82,936	1,873,406	455,241	4,306,590
Effects on adoption of FRS 117 (Note 13)	(101,349)	–	–	–	–	–	–	(101,349)
As restated	–	12,482	290,069	1,491,107	82,936	1,873,406	455,241	4,205,241
Write offs/Disposals	–	–	(763)	–	–	(56,151)	–	(56,914)
Exchange differences	–	–	56	3	5	156	–	220
As of 30 June 2007/ 1 July 2007	–	12,482	1,149,991	4,089,560	182,940	5,450,068	1,480,477	12,365,518
Charge for the year	–	21,397	345,121	1,531,737	153,419	2,238,167	590,069	4,879,910
Disposals	–	–	(304)	(1,047)	–	(61,864)	–	(63,215)
Eliminated on revaluation	–	(33,879)	–	–	–	–	–	(33,879)
Exchange differences	–	–	711	79	62	3,837	810	5,499
As of 30 June 2008	–	–	1,495,519	5,620,329	336,421	7,630,208	2,071,356	17,153,833
Net Book Value								
As of 30 June 2008	–	1,600,000	2,105,454	3,224,705	1,195,183	7,633,172	1,788,541	17,547,055
As of 30 June 2007	–	1,052,034	2,080,371	4,065,299	936,512	6,081,038	1,756,237	15,971,491

(Forward)

The Company	Long-term leasehold land RM	Building RM	Total RM
Cost			
As of 1 July 2006	–	–	–
Additions	4,474,658	1,064,516	5,539,174
Transfer to subsidiary company (Note 17)	(4,474,658)	(1,064,516)	(5,539,174)
As of 30 June 2007/ 30 June 2008	–	–	–

Included in property, plant and equipment of the Group are property, plant and equipment acquired under hire-purchase arrangements with net book value of approximately RM7,633,000 (2007: RM6,613,000).

As of 30 June 2008, the building of the Group with net book value amounting to RM1,600,000 (2007: RM1,052,034) is charged to a licensed bank for credit facilities granted to the subsidiary company as disclosed in Note 21.

Included in the cost of property, plant and equipment of the Group is an amount of approximately RM4,958,600 (2007: RM3,288,900) representing fully depreciated property, plant and equipment which are still in use by the Group.

During the financial year, the building of the Group was revalued by the directors based on a valuation carried out by Raine & Horne International Zaki & Partners Sdn Bhd, an independent firm of valuers that is not related to the Group. The fair value is determined by reference to market value basis. The surplus arising from revaluation amounting to RM569,363 has been credited to revaluation reserve account as disclosed in Note 19.

Had the building been carried at cost less accumulated depreciation, the carrying value of the building as at the end of the year would have been as follows:

	2008 RM	2007 RM
Cost	1,064,516	1,064,516
Accumulated depreciation	(33,879)	(12,482)
Net book value	1,030,637	1,052,034

12. INVESTMENT PROPERTY

	The Group Long-term leasehold land and building RM
At fair value:	
As of 1 July 2007	–
Transfer from prepaid lease payments (Note 13)	2,460,496
Gain on fair value adjustment	289,504
As of 30 June 2008	2,750,000

The investment property of the Group has been charged to a licensed bank for credit facilities granted to the Group as disclosed in Note 21.

The fair value of the Group's investment property as at 30 June 2008 has been arrived at on the basis of a valuation carried out by Raine & Horne International Zaki & Partners Sdn Bhd, an independent firm of valuers.

13. PREPAID LEASE PAYMENTS

	The Group Long-term leasehold land RM
Cost:	
As of 1 July 2006:	
As previously stated	–
Effects on adoption of FRS 117 (Note 11)	2,611,083
As restated	2,611,083
Additions:	
As previously stated	–
Effects on adoption of FRS 117 (Note 11)	4,474,658
As restated	4,474,658
As of 30 June 2007/ 1 July 2007	7,085,741
Transfer to investment property (Note 12)	(2,611,083)
Additions	174,000
As of 30 June 2008	4,648,658
Cumulative Amortisation:	
As of 1 July 2006:	
As previously stated	–
Effects on adoption of FRS 117 (Note 11)	101,705
As restated	101,705
Amortisation for the year:	
As previously stated	–
Effects on adoption of FRS 117 (Note 11)	101,349
As restated	101,349
As of 30 June 2007/ 1 July 2007	203,054
Transfer to investment property (Note 12)	(150,587)
Amortisation for the year	90,242
As of 30 June 2008	142,709

(Forward)

	The Group Long-term leasehold land RM
Unamortised Prepaid Lease Payments:	
As of 30 June 2008	4,505,949
As of 30 June 2007	6,882,687

Prepaid lease payments relate to:

(i) Lease of land for the Group's factory building at No. 21 Jalan Tandang, 46050 Petaling Jaya. The land for the factory building is leased over a period of 99 years expiring on 6 November 2057. The Group does not have an option to purchase the leasehold interest in land at the expiry of the lease period. The leasehold land is amortised over the period of its remaining lease term of 53 years. During the financial year, the land has been transferred to investment property as disclosed in Note 12.

(ii) Lease of land for the Group's factory building at No. 19 Jalan Tandang, 46050 Petaling Jaya. The land for the factory building and office is leased over a period of 99 years expiring on 13 August 2056. The Group does not have an option to purchase the leasehold interest in land at the expiry of the lease period. The leasehold land is amortised over the period of its remaining lease term of 50 years. The title to the leasehold land has been issued to the Group subsequent to year end.

The leasehold land of the Group has been charged to a licensed bank for credit facilities granted to the Group as disclosed in Note 21.

14. GOODWILL ON CONSOLIDATION

	The Group	
	2008 RM	2007 RM
Goodwill on consolidation	137,141	159,451
Effect of adopting FRS 3	–	(22,310)
	137,141	137,141
Less: Accumulated amortisation	–	22,310
Effect of adopting FRS 3	–	(22,310)
	–	–
	137,141	137,141

As of 30 June 2008, the directors have reviewed the goodwill on consolidation for indications of impairment and concluded that no impairment loss is required.

Goodwill acquired in business combination is allocated, at acquisition, to the following business segment:

	The Group	
	2008 RM	2007 RM
Express delivery services	137,141	137,141

15. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company 2008 RM	The Company 2007 RM
Unquoted shares - at cost	17,309,356	17,309,356
Less: Impairment loss	(239,950)	–
Net	17,069,406	17,309,356

Details of subsidiary companies are as follows:

Subsidiary Companies	Country of Incorporation	Effective Equity Interest 2008 %	Effective Equity Interest 2007 %	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.

16. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

	The Group	
	2008 RM	2007 RM
Trade receivables	20,398,599	15,212,192
Less: Allowance for doubtful debts	(2,232,350)	(2,434,772)
Net	18,166,249	12,777,420

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 (2007: 30 to 90 days).

Other receivables and prepaid expenses consist of:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Other receivables	1,920,535	2,707,349	–	352
Refundable deposits	620,955	675,947	5,000	1,000
Prepaid expenses	916,790	854,349	23,750	–
	3,458,280	4,237,645	28,750	1,352

Included in other receivables of the Group is an amount of RM1,337,276 (2007: RM1,876,005) arising mainly from disposal of property, plant and equipment and the delivery and installation of customised front-end management system software in prior years.

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.

17. RELATED PARTY TRANSACTIONS

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

During the financial year, significant related party transactions which are determined on a basis negotiated between the said parties, are as follows:

	The Company	
	2008 RM	2007 RM
With subsidiary company, GD Express Sdn Bhd		
Management fee receivable	180,000	120,000
Transfer of property, plant and equipment from the Company	–	5,539,174

18. SHARE CAPITAL

	The Group and The Company	
	2008 RM	2007 RM
Authorised:		
500,000,000 ordinary shares of RM0.10 each	50,000,000	50,000,000
Issued and fully paid:		
257,186,038 ordinary shares of RM0.10 each	25,718,604	25,718,604

19. RESERVES

	The Group		The Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Non-distributable:				
Share premium	618,070	618,070	618,070	618,070
Revaluation reserve	569,363	–	–	–
Translation reserve	(30,510)	(10,378)	–	–
	1,156,923	607,692	618,070	618,070
Distributable:				
Retained earnings/(Accumulated loss)	11,406,517	8,430,918	1,227,622	(291,929)
	12,563,440	9,038,610	1,845,692	326,141

Share premium

Share premium arose from the following:

	The Group and The Company	
	2008	2007
	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)	(1,238,209)
	618,070	618,070

Translation reserve

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

Revaluation reserve

Revaluation reserve represents the surplus arising from the revaluation of property, plant and equipment as disclosed in Note 11.

Retained earnings

Distributable reserves are those available for distribution as cash dividends. Based on the estimated tax credits available and the prevailing tax rate applicable to dividends, the Company is able to distribute all of its retained earnings as of 30 June 2008 by way of cash dividends without incurring any additional tax liability.

The Malaysian Budget 2008 introduced a single tier company income tax system with effect from the year of assessment 2008. Companies without Section 108 tax credit will automatically move to the single tier tax system on 1 January 2008 whilst companies with such tax credits are given an irrevocable option to disregard the balance of the tax and switch over to the new system during the transitional period of six years. All companies will be in the new system on 1 January 2014. Under the single tier tax system, tax on profits of companies is a final tax and dividend distributed will be exempted from tax in the hands of the shareholders. The recipient of the dividend will not be able to claim any tax credits as in the previous imputation system.

As of 30 June 2008, the Company has yet to make the irrevocable option to disregard the balance of the tax credits and switch over to the new system.

20. HIRE-PURCHASE PAYABLES

	The Group	
	2008	2007
	RM	RM
Total outstanding	5,530,964	5,013,308
Less: Interest-in-suspense	(381,687)	(504,823)
Principal outstanding	5,149,277	4,508,485
Less: Amount due within 12 months (shown under current liabilities)	(2,864,344)	(2,239,705)
Non-current portion	2,284,933	2,268,780

The non-current portion is payable as follows:

	The Group	
	2008	2007
	RM	RM
Within 1 - 2 years	1,731,632	1,780,426
Within 2 - 5 years	553,301	488,354
	2,284,933	2,268,780

The interest rates implicit in these hire-purchase obligations range from 6.60% to 8.66% (2007: 6.24% to 8.66%) per annum.

21. BORROWINGS - SECURED

	The Group	
	2008	2007
	RM	RM
Term loan - Islamic debt facilities	4,240,123	1,060,142
Trust receipt	–	673,200
Total outstanding	4,240,123	1,733,342
Less: Amount due within 12 months (shown under current liabilities)	(520,643)	(830,251)
Non-current portion	3,719,480	903,091

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

	The Group	
	2008	2007
	RM	RM
Within 1 - 2 years	562,291	279,843
Within 2 - 5 years	3,157,189	623,248
	3,719,480	903,091

The Al Bai Bithaman Ajil Islamic debt facilities totalling RM5,300,000 (2007: RM1,800,000) are obtained from local licensed banks and bear profit rates ranges from 6.27% to 7.18% (2007: 7.15%) per annum.

As of 30 June 2008, the Group and the Company have credit facilities totalling RM3,380,000 (2007: RM2,750,000) obtained from local licensed banks. The credit facilities bear interest at rates ranging from 6.80% to 8.25% (2007: 8.25%) per annum.

The credit facilities together with the Islamic debt facilities are secured by the following:

(a) Building, investment property and leasehold land of certain subsidiary company as disclosed in Notes 11, 12 and 13;

(b) Joint and several guarantees by certain directors of the Company; and

(c) Fixed deposits of a subsidiary company amounting to RM345,000 (2007: RM345,000) and fixed deposits of the Company of RM308,000 (2007: RM308,000).

22. DEFERRED TAX LIABILITIES

	The Group	
	2008	**2007**
	RM	**RM**
At beginning of year	7,640	361,000
Transfer from/(to) income statements (Note 9)	74,060	(353,360)
At end of year	81,700	7,640

The deferred tax liabilities represent the following:

	Deferred Tax (Asset)/Liability The Group	
	2008	**2007**
	RM	**RM**
Tax effects of:		
Temporary differences arising from property, plant and equipment	422,033	577,633
Unabsorbed capital allowances	(340,333)	(569,993)
	81,700	7,640

The unabsorbed capital allowances, which are subject to agreement by the tax authorities, are available for offset against future chargeable income.

23. 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 (2007: 30 days).

The currency exposure profile of trade payables is as follows:

	The Group	
	2008	**2007**
	RM	**RM**
Analysis of trade payables by currency:		
Ringgit Malaysia	2,571,065	3,043,090
Singapore Dollar	–	8,646
	2,571,065	3,051,736

Other payables and accrued expenses consist of:

	The Group		The Company	
	2008	**2007**	**2008**	**2007**
	RM	**RM**	**RM**	**RM**
Other payables	580,635	409,793	135,052	20,000
Accrued expenses	1,834,502	1,727,238	–	103,200
	2,415,137	2,137,031	135,052	123,200

Included in other payables of the Group is an amount of RM244,317 (2007: RM157,751) 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 RM777,000 (2007: RM675,000) during the year, is interest-free and has no fixed repayment terms.

24. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Deposits with licensed banks	5,623,829	3,760,415	3,456,900	2,766,619
Cash and bank balances	528,397	1,712,495	27,618	76,895
	6,152,226	5,472,910	3,484,518	2,843,514
Less: Non cash and cash equivalents:				
Deposits pledged with licensed banks (Note 21)	(653,000)	(653,000)	(308,000)	(308,000)
	5,499,226	4,819,910	3,176,518	2,535,514

Deposits with licensed banks earn interest at rates ranging from 3% to 3.7% (2007: 3% to 3.7%) per annum.

25. 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 20, 21, and 24 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 facilities are 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 2008 are as follows:

	The Group			
	2008		2007	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Liabilities				
Hire-purchase payables (Note 20)	5,149,277	4,646,229	4,508,485	4,269,394
Islamic debt facilities (Note 21)	4,240,123	4,227,694	1,060,142	934,105

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

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

Hire-purchase payables and Islamic debt facilities

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

26. RENTAL COMMITMENTS

As of 30 June 2008, the Group has the following commitments in respect of rental of premises:

	Future minimum lease payments The Group	
	2008 RM	2007 RM
Within 1 year	2,239,086	2,368,802
Within 1 - 2 years	2,683,020	2,239,086
Within 2 - 5 years	–	2,683,020
	4,922,106	7,290,908

27. CONTINGENT LIABILITIES - UNSECURED

As of 30 June 2008, the Group and the Company have the following contingent liabilities:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Corporate guarantee given to a bank for hire-purchase facilities granted to subsidiary companies	–	–	14,750,000	14,750,000
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	1,474,222	1,089,000	–	–
	1,474,222	1,089,000	14,800,000	14,800,000

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.

28. COMPARATIVE FIGURES

The adoption of the revised FRS 117 Leases has resulted in a change in the presentation of leasehold land. The unamortised carrying amounts of leasehold land are now classified as a separate item within non-current assets in the balance sheets as prepaid lease payments and will be amortised over the period of its remaining lease term.

To conform with the current year's presentation, the following accounts have been restated:

	The Group	
	As previously reported RM	**As restated RM**
Income statements		
Depreciation of property, plant and equipment	4,306,590	4,205,241
Amortisation of prepaid lease payments	–	101,349
Balance sheets		
Property, plant and equipment	22,854,178	15,971,491
Prepaid lease payments	–	6,882,687

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 Malaysian Accounting Standards Board 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 2008 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,
30 October 2008

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 30th day of October, 2008.

Before me,

COMMISSIONER FOR OATHS

Analysis of Shareholdings as at 16 October 2008

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

HOLDINGS	NO OF HOLDERS	%	NO OF SHARES	%
Less than 100	29	2.59	1,362	0.00
100 - 1,000	703	62.94	92,912	0.04
1,001 - 10, 000	204	18.26	907,875	0.35
10, 001 - 100,000	108	9.67	4,301,900	1.67
100,001 to less than 5% of issued shares	68	6.09	92,792,993	36.08
5% and above of issued shares	5	0.45	159,088,996	61.86
TOTAL	**1,117**	**100.00**	**257,186,038**	**100.00**

INFORMATION ON DIRECTORS' SHAREHOLDING AS AT 16 OCTOBER 2008

		DIRECT INTEREST		INDIRECT INTEREST	
NO.	NAME OF DIRECTORS	NO. OF SHARES	%	NO. OF SHARES	%
1	DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN 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 BINTI 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	%	NO. OF SHARES	%
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 16 OCTOBER 2008

NO	NAME	SHARES	%
1	GD EXPRESS HOLDINGS (M) SDN BHD	54,855,946	21.33
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPTE AN FOR MERILL LYNCH PIERCE FENNER & SMITH INCORPORATED (LOCAL RESIDENT)	33,900,000	13.18
3	CIMBGROUP 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	9,123,000	3.55
7	LEONG CHEE TONG	8,211,327	3.19
8	DING AH DIEH @ DING PIK CING	8,040,350	3.13
9	KONG HWAI MING	6,250,000	2.43
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

NO	NAME	SHARES	%
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 PLEDGED 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 NOMINEE (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 NOMINEE (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR TAN PIAK HWEE ANTHONY	1,604,325	0.62
22	CHIA PHAY CHENG	1,476,650	0.57
23	HDM NOMINEE (ASING) SDN BHD UOB 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 NOMINEE (ASING) SDN BHD EXEMPT AN FOR MERRILL LYNCH PIERCE FENNER & SMITH INCORPORATED (FOREIGN)	1,055,375	0.41
27	HDM NOMINEE (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	239,446,039	93.10

Group Property Particulars

Listed below are the particulars of the property referred to in Note 11 and 12 to the Financial Statements.

No.	Location of Property	Description / Existing Use	Approximate Land Area (sq. ft.)	Tenure	Approximate Age of Building (years)	Net Book Value as at 30.6.2008	Date of Revaluation
(1)	21, Jalan Tandang 46050 Petaling Jaya, Selangor	Land with temporary structures / workshop	29,757	99 years lease expiring 6 Nov 2057	43 years	2,750,000	26 June 2008
(2)	19, Jalan Tandang 46050 Petaling Jaya, Selangor	Corporate Head Office and Distribution Hub	61,909	99 years lease expiring 13 Aug 2056	35 years	6,105,949	20 June 2008

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of the Company will be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 4 December 2008 at 2.00 p.m., to transact the following businesses:-

AGENDA

As Ordinary Business:-

1. To receive the Audited Financial Statements of the Company and of the Group and the Reports of the Directors and the Auditors thereon for the financial year ended 30 June 2008; (Please refer to Explanatory Note 1)

2. To approve the payment of a final dividend of 5% or 0.5 sen per share less income tax in respect of the financial year ended 30 June 2008; (Resolution 1)

3. To approve Directors' fees for the financial year ended 30 June 2008; (Resolution 2)

4. To re-elect the following Directors who retire pursuant to Article 104 of the Company's Articles of Association:
   4.1 Leong Chee Tong (Resolution 3)
   4.2 Lau Wing Tat (Resolution 4)
   4.3 Kong Hwai Ming (Resolution 5)

5. To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. (Resolution 6)

As Special Business:-

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

6. **Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965** (Resolution 7)

   "THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965, to issue and allot new ordinary shares in the Company from time to time and upon such terms and conditions to such persons and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED THAT the aggregate number of new ordinary shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued share capital of the Company and that such authority shall unless revoked or varied by an ordinary resolution by the shareholders of the Company in general meeting commence upon the passing of this resolution until the conclusion of the next Annual General Meeting of the Company AND THAT the Directors are further authorised to do all such things and upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company to give effect to the issuance of new ordinary shares under this resolution including making such applications to Bursa Malaysia Securities Berhad for the listing of and quotation for the new ordinary shares to be issued pursuant to this resolution."

7. **Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature ("Proposed Renewal Of Shareholders' Mandate")** (Resolution 8)

"THAT approval be and is hereby given to the Company and its subsidiaries ("the Group") to enter into and give effect to the specified recurrent related party transactions of a revenue or trading nature and with the specified classes of related parties as specified in Section 2.4 of the Circular to Shareholders dated 12 November 2008, provided that:-

(a) such arrangements and/or transactions are necessary for the Group's day-to-day operations;

(b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public;

(c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and

(d) the disclosure is made in the annual report on the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year in relation to:-

    (i) the related transacting parties and their respective relationship with the Company; and
    (ii) the nature of the recurrent transactions.

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

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

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

(c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions comtemplated and/or authorised by this Ordinary Resolution."

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

DATE OF ENTITLEMENT AND PAYMENT OF FINAL DIVIDEND

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the members at the Fifth Annual General Meeting to be held on 4 December 2008, a final dividend of 5% or 0.5 sen per share less income tax in respect of the financial year ended 30 June 2008, if approved, will be paid on 15 January 2009 to Depositors whose names appear in the Record of Depositors on 26 December 2008.

A depositor shall qualify for entitlement to the dividend only in respect of:-

(a) Securities transferred into the Depositor's Securities Account before 4.00 p.m. on 26 December 2008 in respect of transfers; and

(b) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD
GD EXPRESS CARRIER BERHAD

WONG WEI FONG (MAICSA 7006751)
LIM LEE KUAN (MAICSA 7017753)
Company Secretaries

Kuala Lumpur
12 November 2008

Notes:

i. For the purpose of determining a member who shall entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 60(1) of the Company's Articles of Association and Section 34(I) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 26 November 2008. Only a depositor whose name appears on the Record of Depositors as at 26 November 2008 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

ii. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. 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(a), (b)and (c) of the Companies Act, 1965 shall not apply to the Company.

iii. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.

iv. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.

v. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

vi. The instrument appointing a proxy must be deposited at the registered office of the Company i.e. Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting i.e on or before 2.00 p.m., Tuesday, 2 December 2008 or any adjournment thereof.

Explanatory Notes:-

1. *Item 1 of the Agenda*
   The Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. *Item 6 of the Agenda*
   The proposed adoption of the Ordinary Resolution No. 7 is primarily to give flexibility to the Board of Directors to issue and allot shares to such persons at any time in their absolute discretion without convening a general meeting.

3. *Item 7 of the Agenda*
   The proposed adoption of the Ordinary Resolution 8 is to renew the Shareholders' Mandate granted by the shareholders of the Company at the Fourth Annual General Meeting held on 10 December 2007. The proposed renewal of the Shareholders' Mandate will enable the Group to enter into the Recurrent Related Party Transactions of a Revenue or Trading Nature which are necessary for the Group day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

   For further information, please refer to the Circular to Shareholders of the Company dated 12 November 2008.

Statement Accompanying Notice of Annual General Meeting

1. Directors standing for re-election at the Fifth 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 Leong Chee Tong
(2) Mr Lau Wing Tat
(3) Mr Kong Hwai Ming

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 19 of the Annual Report.

3. Attendance of Directors at Board Meetings

Five (5) Board meetings were held in the financial year ended 30 June 2008. 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 Fifth Annual General Meeting

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

Date	:	Thursday, 4 December 2008
Time	:	2.00 p.m.
Place	:	Bukit Kiara Resort Berhad Jalan Bukit Kiara Off Jalan Damansara 60000 Kuala Lumpur

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

FORM OF PROXY

Number of Shares Held	
CDS Account No.	

*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 Fifth Annual General Meeting of the Company to be held at Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 4 December 2008 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 the payment of a final dividend of 5% or 0.5 sen per share less income tax in respect of the financial year ended 30 June 2008.		
2.	To approve Directors' fees for the financial year ended 30 June 2008.		
3.	To re-elect Mr Leong Chee Tong who retires pursuant to Article 104 of the Company's Articles of Association, and being eligible, have offered himself for re-election.		
4.	To re-elect Mr Lau Wing Tat who retires pursuant to Article 104 of the Company's Articles of Association, and being eligible, have offered himself for re-election.		
5.	To re-elect Mr Kong Hwai Ming who retires pursuant to Article 104 of the Company's Articles of Association, and being eligible, have offered himself for re-election.		
6.	To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
7.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
8.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

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

Signed this______________ day of _________ 2008.

____
Signature/Common Seal of Shareholder(s)

Notes:

i. *For the purpose of determining a member who shall entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 60(1) of the Company's Articles of Association and Section 34(l) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 26 November 2008. Only a depositor whose name appears on the Record of Depositors as at 26 November 2008 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.*

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Stamp

The Company Secretary
GD EXPRESS CARRIER BERHAD (630579-A)
Level 18
The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
MALAYSIA

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