

6 BUSINESS OVERVIEW

6.1 SERVICES

The Group's business activities can be broadly classified into two (2) distinct categories, namely express delivery service and customised solutions service provider.

6.1.1 Express Delivery Service Provider

GDEX operates a distribution network of 72 stations, comprising 36 branches, 6 affiliates and 30 agents to provide domestic express door-to-door delivery services throughout Malaysia. In addition, the Company is able to cater for deliveries, which go beyond the local frontier to over 100 countries through alliances with foreign established express carrier companies, namely Federal Express, DHL Worldwide Express, TNT Express and United Parcel Service. As at the Latest Practicable Date, international express delivery service accounts for about 8.1% of the Group's revenue. Majority of the international deliveries are made to the following countries:-

- Asean countries such as Singapore, Thailand and Indonesia
- Australia and New Zealand
- North American countries such as USA and Canada
- European countries such as UK

The Group's express delivery service operations are structured along the principles of a "Hub and Spoke" concept, whereby customers' documents and parcels are collected by the stations and sent by a fleet of line-haul vehicles to the Central Clearing Hub (Group Headquarters). Documents and parcels are resorted and redirected to other relevant stations within the network for final delivery to the intended recipients. This business process of GDEX is further illustrated on Diagram 1 as shown below:



(Source: Management of GDEX)

6. BUSINESS OVERVIEW (CONTINUED)

6.1.2 Customised Logistics Solutions Service Provider

Today's fast moving world of business and deep structural changes in global commerce has posed challenges to logistics systems of businesses. The Company has leveraged on this opportunity by customising services offered to accommodate customers' unique logistics needs and create a "one-stop shopping" experience for them. GDEX's Customised Logistics Solutions services revenue grew by 107% on a yearly basis, from RM2.94 million in the FYE June 2003 to RM6.09 million in the FYE June 2004. Revenue from Customised Logistics Solutions segment accounted for approximately 20.6% of the total revenues generated for the FYE June 2004 as compared to 14.1% recorded in the previous financial year. For the 4 months period ended October 2004, the revenue from Customised Logistics Solutions amounted to RM3.04 million and accounts for approximately 24.9% of the total revenues. This segment of the Group's business will be a key component of the Group's future growth and will establish the Group as one of the key players within the logistics industry in Malaysia. Customised Logistics Solutions services include the following:-

Security Handling

This service involves the delivery of high value items. Shipments are closely monitored by the Company's specially trained in house internal security personnel.

Mailroom Handling

This service is targeted at customers who wish to outsource their mailroom activities of handling incoming and outgoing mails and parcels. The Company will station its staff at customer's mailrooms to handle the mailroom processes on customer's behalf.

Project Handling

The Company acts as an integrator or express carrier, whereby it handles customers' goods from arrival in Malaysia to distribution to end-users. The whole range of services includes express delivery of documents and parcels, warehousing, bulk breaking & repacking and other distribution services.

Evolution of the Express Carrier Business

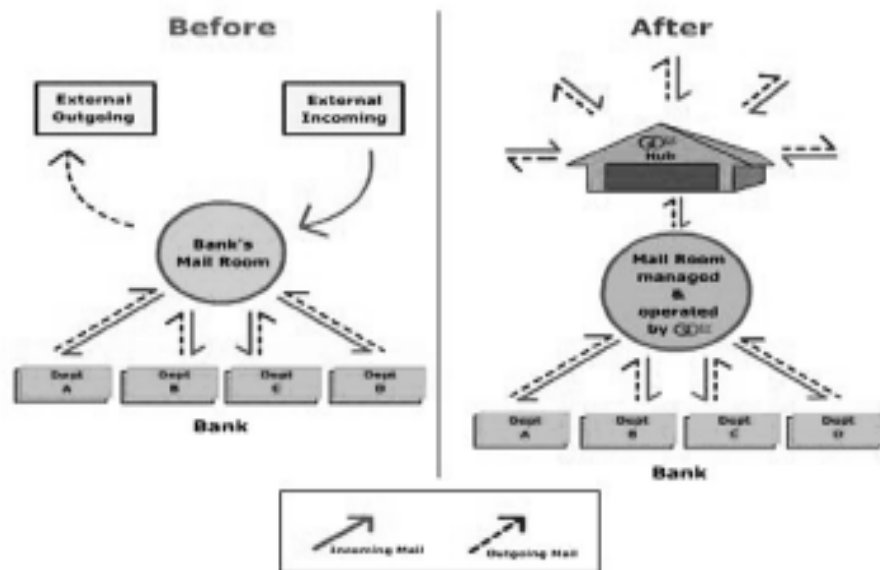
In response to the deep structural changes in global commerce, businesses need to improve the efficiency of their supply chains to support their growth and profitability. Moving goods from manufacturer to the market can be enormously complex. In the process, operational redundancies and inefficiencies can add needless complications to the challenges a business already faced in today's competitive business landscape. Larger corporations started to realize that success requires more than just offering market leading products or services. Having the appropriate logistics or distribution networks is just as critical.

The Company has repositioned itself and capitalised on the rising demand for Customised Logistics Solutions services, by offering a wide variety of highly customised express delivery and logistics services and supply chain solutions, including logistics management, warehousing, packaging services and others. These services are offered through highly trained personnel and supported by sophisticated and customised software systems. Management expected this segment of business to grow exponentially and if executed well, will eventually propel the Group in becoming the premier express delivery carrier based logistics operator within Malaysia.

6. BUSINESS OVERVIEW (CONTINUED)

One example would be the outsourcing of certain logistical functions originally handled by the customer to the Group. A local financial institution has indeed outsourced the management and operations of its mailroom and dispatch service to the Group. This is to eliminate fixed costs and release the resources from being tied up in non-core back-office operations, while maintaining uninterrupted and effective office mail flow. The Diagram 2 below illustrates the outsourcing of mailroom and dispatch operation by a corporate customer to GDEX. The revenue contribution from the local financial institution as mentioned above for the FYE June 2004 and for the 4 months period ended October 2004 is approximately RM100,000 and RM30,000 respectively.

**Diagram 2: Example 1 of Customised Solutions Project
Outsourcing of Bank's Mail Room Functions**



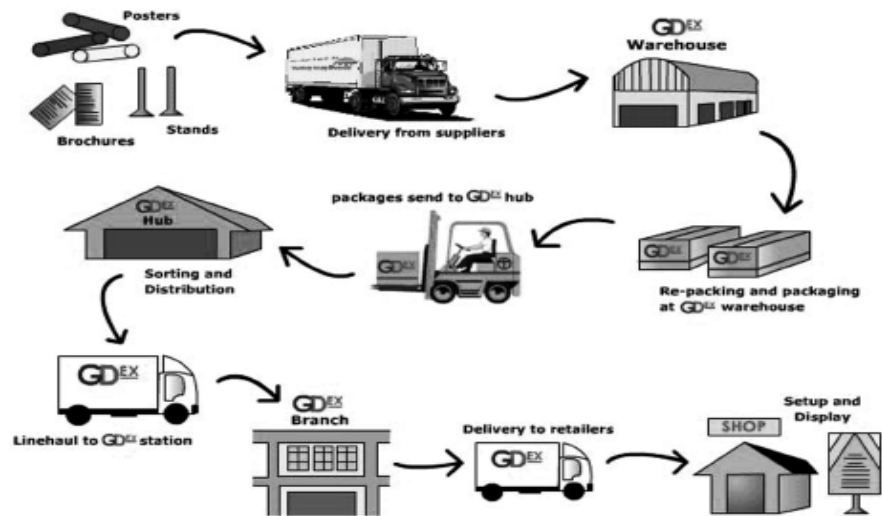
(Source: Management of GDEX)

Another example of such Customised Logistics Solutions include comprehensive portfolio services of order and inventory management, pick and pack operations, transportation management, account receivable processing and installation of materials dispatched. The Company is assigned by Digi Telecommunications Sdn Bhd ("Digi") to package, deliver and install marketing promotional materials (advertising stands, banners, posters and brochures) to about six thousand five hundred (6,500) retail outlets throughout Malaysia within a short time frame. The customer would receive on regular basis, status reports on the receipt of supplies, delivery schedules and status of deliveries in electronic form through the web or via email. Diagram 3 below further illustrates the services offered. The Company has been providing these services for Digi since September 2002. The revenue generated from provision of services for Digi for the financial year ended June 2004 and for the 4 months ended October 2004 amounted to about RM1 million and RM0.4 million respectively.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW (CONTINUED)

**Diagram 3: Example 2 of Customised Solutions Project
Packing and Distribution of POS Items for A Telecoms Client**



(Source: Management of GDEX)

In addition, the Company has been providing pick-up and deliveries, audits, customised software, customised reporting, billing, cash and duty collection for Federal Express Services (M) Sdn Bhd ("FedEx") since February 2002. On 15th December 2004, the Company entered into an agreement with FedEx to provide ground support services in Muar. This involved the provision of trained staff, premise, facilities, equipments and shuttle trips dedicated to serve the FedEx business in Muar. The revenue generated from the provision of services for FedEx for the FYE June 2004 and for the 4 month period ended October 2004 was amounted to approximately RM1 million and RM0.4 million respectively.

The Company was awarded the contract for the third consecutive year for the distribution of the Ikea catalogues to households in the Klang Valley in September 2004. To ensure the satisfactory delivery of the catalogues, independent teams were assigned to provide audits and reports for Ikano Pte Ltd. The revenue contribution for this project was amounted to approximately RM120,000.

New Customised Logistics Solutions projects secured by the Company in the first quarter of 2005 include a project to pack and distribute prospectus for MIH in February 2005. The same day delivery services for Citibank started in January 2005 and the pick-up, delivery and obtaining insurance coverage for the high valued electrical items for Courts Mammoth Berhad commenced in February 2005. These are examples of the new Customised Logistic Solutions projects secured by the Company.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW (CONTINUED)

6.2 COMPETITION

The Group competes in an arena where many of its competitors are local companies and multi-national corporations. These competitors have greater sales, financial, transportation, distribution, and marketing resources than the GDEX Group.

The following table lists the major competitors of the Group:-

Segment of business	Major competitors
Express delivery service provider	Major international and local competitors such as <ul style="list-style-type: none"> • FedEx; • UPS (M) Sdn. Bhd. (“UPS”); • DHL Express (M) Sdn. Bhd. (“DHL”); • TNT Express Worldwide (M) Sdn. Bhd. (“TNT”); • Nationwide Express Courier Services Berhad (“Nationwide”); • City Link Sdn Bhd ;and • Pos Malaysia & Services Holdings Berhad
Customised Logistics Solutions service provider	Major international and local competitors such as <ul style="list-style-type: none"> • FedEx; • UPS; • TNT; • DHL; and • Nationwide

The Group believes that its services will be able to compete effectively with the abovementioned competitors considering its competitive strengths, which are discussed in more details under Section 6.3 of this Prospectus.

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in any of the above companies.

6.3 COMPETITIVE STRENGTHS

The Directors believe that the Group will be able to compete effectively as the Group possesses the following competitive advantages:-

(a) Comprehensive Depth and Breadth of Logistics Solutions

The flexibility of the Group’s business model supported by the highly customised in-house IT Software System and innovative human resource policies has enabled the Group to solve the needless complications faced by businesses in their respective logistics systems. This is achieved through offering various creative and value-added express delivery and supply chain solutions.

(b) Extensive Network and Vehicle Fleet

The Group currently operates under a distribution network of 72 stations, comprising branches, affiliates and agents to provide domestic door-to-door express delivery services throughout Malaysia. With an extensive vehicle fleet of approximately 150 vans and trucks and workforce of approximately 842, the Group is able to increase market share and enhance its competitive edge further.

6. BUSINESS OVERVIEW (CONTINUED)**(c) Strong Brand Name**

“GDEX It – Delivery Service You Trust” is synonymous with “Quality and Value-Added Service” and as such has commanded strong customer loyalty and support over the years. Further details on the Group’s major customers are set out in Section 6.9 of this Prospectus. In addition, the Group is planning to intensify its series of marketing campaign through launching of new services to enhance brand awareness and corporate image.

(d) Experienced and Professional Management Team

The Group has an experienced management team consisting of individuals with relevant management and professional experience in various multi-national corporations and large corporations. In addition, their management and professional experience covers a wide spectrum of functions such as business development, marketing, financial management and software development. The length and scope of their experience have provided the Group with a well-balanced management team that is key to its business. Profiles of the Company’s respective Board of Directors and Key Management are set out in Section 9.2.1 and Section 9.4.1 respectively.

(e) Innovative Human Resource policies and the Ability to Retain Experienced Personnel

The Group’s human resource policies are diligently carved out to introduce and support a unique performance based system and culture throughout the Group. The Group has also organized various training and development courses to ensure that staff possesses the necessary knowledge and skill sets to facilitate the offering of quality services. The challenging and yet rewarding working environment that the Group offered has helped in retaining expertise within the Group.

(f) Large Customer Base

GDEX has a large and diverse customer base of more than 20,000 accounts throughout different sectors and locations. Financial institutions, retailers, manufacturers, medical and legal service providers form the bulk of the Group’s customer base. Further details on the Group’s major customers are set out in Section 6.9 of this Prospectus.

(g) Integrated Computerised Software

The Group’s management information systems are widely and extensively applied throughout the organization. The Group’s IT System is designed and constructed in modular forms, which ties up almost the entire Group’s operational and business functions. This has enabled the Group to better serve its customer base. Based on management’s representation, among the total of 118 (as at the Latest Practicable Date) registered courier and express delivery companies in Malaysia, GDEX is one of the first domestic express delivery company to have launched their web based tracking system in July 2003. Furthermore, GDEX is able to customize web based electronic status reports sent to customers in relation to customised solutions projects handled.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

6. BUSINESS OVERVIEW (CONTINUED)

In addition, GDEX Group is unique as compared to the other domestic courier companies given that the Company, has since the last few years benchmarked its operations against international practices.

The key attributes that reflect the uniqueness of the Group are as follow: -

GDEX	
Quality Certification	ISO 9001 : 2000*
Advanced Quality Program	“Towards World Class Quality Excellence Program”#
IT System	Sophisticated IT System throughout the entire Network
Endorsement by International Partner	FedEx, UPS
Value Added Services	Customised Logistics Solutions
Value Added Services as % of total revenues	24.9%
Competitive advantage	Service quality

Notes:

* ISO certification was for all eighteen (18) operational departments in GDEX

Implemented in June 2004 for a period of eighteen (18) months. This will lead to application for the Prime Minister's Quality Award (the highest quality award in Malaysia) and the Quality Management Excellence Award in mid 2006

(Source: Based on management's best knowledge/ estimation over the current industry practices, after making all reasonable enquiries)

6.4 MARKET PRESENCE AND OPERATING LOCATIONS

Over the years, GDEX has established a strong presence in Malaysia by building up a strong brand name, which is often associated with professionalism and reliability. Such traits are valued by its customers as evidenced by the Group having high profile and large corporations spreading across different industries and geographical locations in its customer's portfolio.

Today, GDEX has a network of stations in both East and West Malaysia, which offers its customers convenient access to its services.

Although no official market study has been carried out, the management is of the view that GDEX Group is one of the leading express carrier service providers in Malaysia in terms of size of network, its fleet of trucks, comprehensive and sophisticated in-house IT System, staff numbers, portfolio of services available, the high quality of its service offerings and customer base.

6. BUSINESS OVERVIEW (CONTINUED)**6.5 LOCATION OF BUSINESS**

The Group currently operates a network of 72 stations, which includes branches, affiliates and agents throughout East and West Malaysia. The Group's headquarters ("HQ") is located at No. 19, Jalan Tandang, 46050 Petaling Jaya, which houses the Group's national HQ office with more than 10,000 square feet of office space, the Group's customised, all weather national sorting and distribution hub with more than 25,000 square feet of operations area and a customised logistics warehouse of 10,000 square feet.

6.6 QUALITY CONTROL PROCEDURES

The Group is firmly committed to continuous improvements in its service quality standards. The Quality Assurance Department was set up in 2002 with the sole purpose to evaluate and systematically improve the service quality standards. The ISO 9001:2000 compliance audits, Total Quality Management (TQM) programmes leading to the Prime Minister's Quality Award (PMQA), systematic risk and compliance audit and development of manuals are some of the key functions of the QA department.

Training of the dispatch, delivery and logistics workers is another programme that is designed to improve the service quality standards. More than 270 employees of GDEX from all over Malaysia have attended the structured training courses conducted by the Company's in-house trainer. The 3 courses offered currently are Basic Courier Training, Advance Courier Training and Defensive Driving Skills.

The Service Quality Unit is another unit set-up specially to monitor the customer complaints and service failures. The Network Development Unit is involved in improving the service quality by reviewing and improving the consistency of the services through out the entire network.

6.7 DEVELOPMENT OF THE IT SOFTWARE SYSTEM

The IT department is constantly developing additional modules for the software system to enhance the existing IT capabilities and to providing new customised pre-delivery and post-delivery reporting services for the customers. For example, the IT department is able to customise a special delivery report, upon the request of the customer, which will provide value added and timely information at the customer's convenience.

6.8 MARKETING AND DISTRIBUTION STRATEGY

The Group has formulated a marketing strategy to increase brand awareness and its market share. The three (3)-pronged strategy is as follows:-

- i. Direct marketing by submitting proposals to various corporate customers. The marketing team will also continue to cultivate new customers and new orders;
- ii. Series of aggressive marketing campaigns through presentations on new services to potential customers to create the awareness towards the comprehensive and innovative logistics solutions that the Group would be able to offer; and
- iii. Capitalize on corporate recognition awarded to the Group and the establishment of business ties with international express delivery company to generate publicity for the "GDEX" brand. Further details on the various key achievements awarded to the Group are tabulated at Section 6.13.

6. BUSINESS OVERVIEW (CONTINUED)**6.9 MAJOR CUSTOMERS**

The following are the Group's top 10 customers for the FYE 30 June 2004. Total sales to these customers are worth approximately RM5.6 million or approximately 19.1% of total revenue for the said financial period.

Name of customer	Percentage of total revenue as at 30 June 2004	Length of relationship (years)
FedEx	3.8%	3
Digi	3.7%	2.5
Malaysian Assurance Alliance Berhad	2.3%	3
Infobase Creation Sdn. Bhd.	2.3%	2
Measat Broadcast Network Systems	1.9%	7.5
Hong Leong Bank Berhad	1.5%	1.5
Molex (M) Sdn. Bhd.	1.0%	7
Hewlett Packard (M) Sdn. Bhd.	0.8%	2
Syarikat Takaful Malaysia Berhad	0.9%	3.5
Gribbles Pathology (M) Sdn. Bhd.	0.9%	7

The top 10 customers for the four (4)-month period ended 31 October 2004 are as follows:

Name of customer	Percentage of total revenue as at 31 October 2004	Length of relationship (years)
FedEx	3.64%	3
Digi	3.35%	2.5
Measat Broadcast Network Systems	2.82%	7.5
Hong Leong Bank Berhad	2.40%	1.5
Malaysian Assurance Alliance Berhad	2.37%	3
OSK	1.22%	3.25
OCBC Bank (Malaysia) Berhad	1.03%	0.25
Prudential Assurance Malaysia Berhad	0.98%	4.5
Bumiputra-Commerce Bank Berhad	0.83%	4
ING Insurance Berhad	0.83%	3

The Group is not dependent on any single customer to the extent of 10% or more of total revenue.

6.10 GROWTH STRATEGY

The Group aspires to become the leading express carrier service provider specializing in both providing timely and reliable express delivery and Customised Logistics Solutions services. To maintain its competitive strengths, the Group has adopted the following key business strategies:

6.10.1 Grow the Business and Sharpen Competitive Edge

The Group has spent the past few years establishing its operating systems and good business practices, which are now in place. With a well organized logistics infrastructure, the Group is ready to take on new challenges and to better serve its target markets.

Such an infrastructure carries a high overhead in terms of cost structure and it is imperative for the Group to grow its business further to achieve economies of scale and better utilization of the Group's logistics infrastructure. This is also in tandem with the Group's business objectives in growing its capital base, together with stronger staff force (both in terms of numbers and skill sets) to remain competitive in the express carrier industry.

6. BUSINESS OVERVIEW (CONTINUED)

The Group's revenues have grown beyond the breakeven level to register a profit during the FYE 2003.

6.10.2 Capitalise on the Growth of Customised Logistics Solutions Business

Outsourcing of non-core business operations is becoming a trend for businesses to maximize efficiency and contain cost. The Group strongly believes that this would be a relatively untapped market that is full of potential, which can be well served by the Group's core competencies. Apart from generating higher profit margins, this business segment would enable the Group to build and maintain strong and long lasting relationships with key corporate customers.

This segment is expected to represent the growth engine for the Group in the coming years. The Group intends to expand its portfolio of services further to ensure that the future marketability and viability of the Group's services are safeguarded.

6.10.3 Maintain and Improve Infrastructure Network, Systems and People Advantage

The Group strongly believes that its strength and ability to compete and ability to grow are dependent on its infrastructure network, its IT Software System and its people. Therefore, it is important that the Group must continue to invest and grow these resources, in order to improve on their quality. The investment would include acquiring physical assets (e.g. additional branch offices, additional trucks, additional computers, etc), developing additional software systems and/or training and development of staff.

6.11 EMPLOYEES

As at the Latest Practicable Date, the GDEX Group had a total of 842 full-time employees in the following categories:-

Category	Number of employees	Average length of service (years)
IT/Software	6	0.5
Business & Development	69	2
Engineering	6	2
Delivery and Logistical	558	2
Administrative	203	2
Total	842	

The relationship and cooperation between the management and employees have been good and are expected to continue. There have not been any work stoppages or labour disputes affecting the Group's business nor has the Group experienced any significant seasonal fluctuations in the number of employees. In year 2000, a new management team took over the control of GDSB and implemented series of internal restructuring exercise which involved the revamp of GDSB's work force. In addition, the Group increased its number of employees via new recruits to accommodate the high revenue growth experienced by the Group since year 2002. These have resulted in relatively shorter average length of service for GDSB's full-time employees.

The employees of the Group do not belong to any organised union. The Group intends to establish a team of knowledgeable, competent and highly motivated logistics professionals who are dedicated to providing comprehensive service to its customers. To achieve that, the Group has put in place a sound and well-thought through set of Human Resources ("HR") policies that encourage every individual to strive for excellence. For instance, HR policies are deliberately designed to instil a performance based reward system as part of the corporate culture.

6. BUSINESS OVERVIEW (CONTINUED)

The Group has organised training and development courses in-house to ensure that the Group's staff will have the knowledge and skill sets that meet the minimum standards required by the Group's operations. Furthermore, staff with potential for supervisory and management positions would be selected to attend training and development programmes organized externally.

6.12 TECHNOLOGY AND INTELLECTUAL PROPERTY

Save as disclosed below, the Group does not use or own any other patents, trademarks or intellectual property rights which are material to its business.

Details of the trademark application in Malaysia are as follows:

Trade mark	Date of filing
GDEX	29 October 2003

As at the Latest Practicable Date, approval from the relevant authority for the abovementioned trademark has not been granted.

The Group is not dependent on any other trademark save as disclosed above.

6.13 KEY ACHIEVEMENTS / AWARDS

The Group has obtained key milestones, awards and recognition for its services from various organisations. The Group's key achievements are set out as follows:-

Date	Key Achievements	Awarded by	Service/Area
February 2002	Awarded to become partner of FedEx in serving the customers beyond FedEx's own service areas.	FedEx	Express Carrier Services
June 2003	One of the first domestic Express Carrier companies to provide customer web based tracking and tracing of shipments.	N/A.	Express Carrier Services/Customised Logistics Solutions
23 October 2003	SMI-DiGi ICT Adoption Award 2003 (SMI Recognition Award Series 2003)	Association of SMI Malaysia	Adoption of established ICT in business operations
8 November 2003	ISO 9001 : 2000	Moody International Certification (Malaysia) Sdn Bhd	Quality Management System
24 November 2003	The 2 nd Asia Pacific International / Malaysia Honesty Enterprises – Keris Award 2003	Entrepreneur Dev. Association, Yantai Investment Dev. Board, Penglai Municipal Government of Shandong of PRC and "Shanghai" Business Magazine	Development of innovative marketing strategies, good business practices and planning and taking the lead in electronic industrialization

6. BUSINESS OVERVIEW (CONTINUED)

Date	Key Achievements	Awarded by	Service/Area
10 December 2004	SMI Phoenix Award	Association of SMI Malaysia	Recovery from a major/ financial crisis or setback

6.14 OPERATING LICENSES

The Express Delivery/Courier Industry is currently regulated by the Postal Services Act 1991 ("PSA") and within the purview of Malaysian Communication and Multimedia Commission ("MCMC"). The Group is required to hold a courier licence to provide postal services, including courier and express delivery services. Postal services are further defined under PSA to include conveying by post all letters from one place to another whether by land, or by sea or by air and performing all the incidental services of receiving, collecting, sending and delivering of letters.

Details of the operating license are provided below:-

Company	Issuing Authority	Particulars of License
GDSB	MCMC	<ul style="list-style-type: none"> i) Licensee may provide both domestic and international express and dispatch services from one place to another; ii) The courier license is required to be renewed annually subject to payment of processing fees and renewal license fee (which is based on the gross annual turnover of the licensee); iii) The authorities have the power to suspend or revoke any courier license granted pursuant to the Postal Services Act 1991; and iv) Licensee is required to obtain written approval from the authorities for the following: <ul style="list-style-type: none"> a) Changes in the equity structure and in the shareholdings of the licensee's shareholders; b) Acquisition of the licensee shares by a person who holds no licensee shares and the shareholdings that will be held by the said person; and c) Acquisition, mergers and/or takeover of the company.

6.15 INTERRUPTIONS TO BUSINESS DURING THE PAST 12 MONTHS

There has not been any material interruption to the businesses of the GDEX Group in the twelve (12) months preceding the date of this Prospectus.

7 INDUSTRY OVERVIEW

7.1 OVERVIEW AND PROSPECTS OF THE MALAYSIAN ECONOMY

The Malaysian economy registered a growth of 5.6% in the fourth quarter of 2004. Growth was led by private sector activity while the Federal Government continued with its fiscal consolidation program. For 2004 as a whole, the Malaysian economy expanded by 7.1%.

During the fourth quarter, the private sector led the expansion in domestic demand. The rise in consumer sentiment was attributed to stable employment conditions and sustained high disposable incomes from strong commodity export proceeds. Favourable financing conditions, low interest rates and low inflation led to a strong 9.7% increase in private consumption.

Growth in the Malaysian economy in the fourth quarter was achieved amidst low inflation. Inflation edged up slightly to 2.1% in the fourth quarter, reflecting increases in food prices, higher personal transportation charges, as well as higher taxes on cigarettes and tobacco. Nevertheless, the upside risks to inflation were limited by expansion in capacity and continued productivity growth. Meanwhile, labour market conditions remained stable, supported by strong growth in productivity. In the manufacturing sector, real sales value of products per employee rose by 15.3%.

(Source: Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2004)

The outlook for 2005 will generally remain favourable although global growth is expected to moderate on account of high oil prices, inflationary pressures, interest rate hikes and a probable slowdown in China's economy. The emergence of these risks, that became apparent in the second half of 2004 and are expected to continue into 2005, will have a larger impact on growth next year. Global economic growth is projected to moderate to 4.4% in 2005 from 4.6% in 2004. The stronger macroeconomic fundamentals and resilience, backed by sturdy domestic demand and broad-based growth, will however, continue to support Malaysia's GDP growth, forecast at 6% in 2005.

(Source: Economic report 2004/2005)

7.2 REGIONAL ECONOMY

For 2005, global economic growth is expected to remain firm at 4% (2004: 4.8%), while world trade is expected to expand by 5.8% (2004: 8.8%). The pace of slowdown in US and P.R. of China is expected to be modest on the basis that adjustments of the imbalances in these economies would be gradual. In 2005, the US economy is expected to expand by 3.5% after a strong expansion of 4.4% in 2004 while P.R. of China is expected to register a strong growth of 8.5%.

Growth in the East Asian region, excluding Japan, is therefore is expected to expand at a reasonably high rate of 6.3% - 6.5%. Consumption is expected to be sustained by rising incomes and a growing share of the young age group with higher propensity to consume. Domestic demand is also likely to remain resilient given the larger contribution from new sources of growth and increased intra-regional trade.

(Source: BNM Annual Report 2004)

7. INDUSTRY OVERVIEW (CONTINUED)**7.3 PERFORMANCE OF RELATED SECTORS****Services Sector**

The services sector is set to achieve higher growth of 6% in 2004 and contribute 57.1% to GDP, driven mainly by higher consumer spending amidst rising disposable income and a record level of tourist arrivals/ Growth is expected to emanate from strong expansion in most sub-sectors with the utilities in the lead at 7.4%. Steady increases in the transport, storage and communications, wholesale and retail trade, hotels and restaurants, and finance, insurance, real estate and business services sub-sectors will further reinforce overall growth.

(Source: Economic Report 2004/2005)

The finance, healthcare, manufacturing and retail sector represent a significant portion of GDEX Group's total turnover and therefore its business performance has strong ties with the performance of these respective industries.

Finance Sector

The banking system continued to exhibit increased resilience in the fourth quarter, with a high level of capitalisation, improvement in profitability and the lowest level of non-performing loans since the Asian financial crisis. The risk-weighted capital ratio (RWCR) and core capital ratio (CCR) of the banking system remained high at 13.8% and 10.8%, despite recording marginal declines. The expansion of capital base was attributed mainly to lower capital deductions for investments in subsidiaries (RM1.6 billion) post-Bafin mergers, while the higher risk weighted assets was due mainly to increased lending. The banking system recorded a 6.1% increase to RM3 billion in pre-tax profits during the quarter, compared to RM2.8 billion in the previous quarter.

(Source: Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2004)

Healthcare Sector

The health care sector experienced rising demand in 2004. The number of health tourists is estimated to increase markedly from 103,000 in 2003 to 140,000 in 2004, given the competitive pricing and quality of healthcare available in the country. A total of 35 private hospitals are involved in offering medical treatment and healthcare services to foreign patients, of which 14 hospitals have received MS: ISO 9001 accreditation while six have been accorded with Malaysian Society for Quality in Healthcare accreditation. With improvements in healthcare infrastructure from continuous investment in capacity building, Malaysia is also poised to become a global health information hub for the region.

(Source: Economic Report 2004/2005)

Manufacturing Sector

Growth of the manufacturing sector accelerated since September 2003, underpinned by double-digit and broad-based growth in both export and domestic-oriented industries. Favourable external environment with continued strong growth in China, coupled with the firm recovery in the US and sustained recovery in Japan, fuelled the higher demand for manufactured goods, particularly for electronic products. Meanwhile, growth in domestic-oriented industries strengthened on the back of the improved economic performance.

(Source: Economic Report 2004/2005)

7. INDUSTRY OVERVIEW (CONTINUED)

Value-added in the manufacturing sector increased by 5.4% in the fourth quarter of 2004 (3Q: 9.9%). The pace of growth moderated mainly in the electronics and electrical products industry (production growth: 4.7%; 3Q: 19.3%). Other major export-oriented industries continued to record strong growth during the quarter. The overall capacity utilisation rate remained relatively high at 79% (3Q: 80%), with both the export and domestic-oriented industries operating at 83% and 72% respectively (3Q: 83% and 75% respectively).

(Source: Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2004)

Retail Sector

Retail trade recorded sales totalling RM14,100 million in the first quarter of 2004 (January-March 2003: RM14,300 million), reflecting a slight decline of 0.9%. Nonetheless, improved customer sentiment, increased domestic economic activities, new retail concepts which combine various business activities under one roof, and new establishments, are expected to spur sales for the rest of the year.

(Source: Economic Report 2004/2005)

7.4 PROSPECTS AND FUTURE PLANS**7.4.1 PROSPECTS**

The management of GDEX believes that customization will play an increasingly significant role in various industries as globalization is a major trend in today's business world. Products are manufactured with shorter lead times, in smaller quantities and in many cases at the time of the order. There is growing demand from the customer for "make to order" or customised products, delivered at maximum speed, with supreme delivery reliability, at the lowest possible cost.

Since mass product customization will play an important role in the next five (5) years, effective management on global supply chain is increasingly important. In addition, cost of production, product lead times and inventory management are major factors that affect businesses' ability to take advantage of mass customization trend. This reflects the potential market demand for value added Customised Logistics Solution services that GDEX is able to capitalize on. It is envisaged that as Malaysia transforms itself into a fully industrialized nation and knowledge based economy, the demand for value added Customised Logistics Solution will increase.

In addition, the management of GDEX expects the share of outsourced logistics worldwide to record healthy growth in years ahead, in tandem with the increase in supply chain management outsourcing. As such, the management of GDEX is optimistic that the strong growth and market potential of Customised Logistics Solutions services is expected to enhance GDEX's growth prospect in the near future.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

7. INDUSTRY OVERVIEW (CONTINUED)

7.4.2 FUTURE PLANS AND STRATEGIES

GDEX will focus on the following areas to enhance the Company's competitive position as to enable the Company to grow aggressively over the foreseeable future:

(a) Customised logistics solution

The Group will continue to focus on growing its Customised Logistics Solutions business which provides higher value added services to its customers. This is an exciting business for GDEX as it contributes to higher profit margin and revenue growth than the normal express delivery business. The demand on Customised Logistics Solutions services market is a result of the rapid adoption of logistics outsourcing by companies in order to improve efficiencies and reduce operating costs. International express carrier companies (for example: United Parcel Service of America) are also focusing on providing Customised Logistics Solutions services to corporate clients. In Malaysia, this market is largely untapped and the potential demand for such Customised Logistics Solutions services would be a catalyst for the future growth prospects for GDEX.

(b) Quality improvement

The Group will continue to improve the quality and reliability of its service offerings by introducing more quality processes into its business operations. ISO certification is but only the first step in the long journey towards Total Quality Management. GDEX have also engaged an external consultant to conduct quality enhancement programs to both the management and staff.

(c) Branding

The Group has established a marketing department whose job is to build up the GDEX brand and corporate image in the market. This is in line with GDEX's marketing campaign to capture business that currently goes to the premium segment players (such as DHL and UPS). Furthermore, GDEX is expected to launch certain promotion campaigns and events in order to create awareness and to accelerate the adoption of Customised Logistics Solutions by the corporate customers.

(d) Physical and virtual network

The Group has and will continue to improve on its physical and virtual (IT) network and add resources to enable the Group to be able to not only offer better quality service but also to be able to handle the increased volumes of business that the Group is targeting. Since 30 June 2003, the Group has added 10 new branches to its network, a new logistics centre (comprising a warehouse, project workshops, training room, additional administration offices) and added new staff, equipment and IT throughout its network. The staff strength stands at 842 (2003: 527) as at the Latest Practicable Date.

As mentioned in Section 3.8 of this Prospectus, a total of approximately RM4.8 million will be allocated for the improvement of technological advancement, such as automated coding and weighing system, hardware and software and material handling and inventory management system. These new resources are to enable GDEX to cope with the business growth when the demand from both the express delivery and Customised Logistics Solutions pick up in FYE 2005.

7. INDUSTRY OVERVIEW (CONTINUED)

(e) Human resource development

The Group's emphasis on human resource development plays an important part in helping the Group to achieve its present level of success. As such, GDEX will continue to embark on new initiatives to attract talent to the Group by way of offering scholarships to outstanding students in the top universities in Malaysia. For FYE 2004, GDEX via GDSB has offered a number of scholarships (some exclusively for Bumiputera students) to third year students at leading local universities. Upon graduation, these students will be required to work with GDEX Group for one to two years period. Such a scheme will serve to attract talent to GDEX Group and will also build up a good public image for GDEX, and thus improve GDEX's competitive position in the medium to long term.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

8 SUMMARY OF FIVE (5)-YEAR BUSINESS DEVELOPMENT PLAN

The following is a summary of the five-year business development plan prepared by GDEX for the purpose of inclusion in this Prospectus.

The GDEX Group is an established express carrier services provider, catering for both domestic and international customers.

In 2000, a new management team took over the helm at GDSB and transformed its business model. The new management team led by Mr Teong Teck Lean recognized that the then business model of the Group had major weaknesses and would not be able to meet the needs of a rapidly changing market place. Starting from year 2000, the new management team undertook a major revamp exercise and adopted an entirely new business model to transform GDSB from a courier firm to an express carrier that would enable the Group to distinguish itself from the other market players in this competitive market. This revamp was a success and the Group has grown at a tremendous pace for the past few years.

The Group believes that the Customised Logistics Solutions services segment will grow exponentially and would become the growth engine to propel the Group to be the premier express carrier within Malaysia. Since then, the Company has repositioned itself and capitalized on the rising demand of Customised Logistics Solutions services, by offering a wide variety of highly customised express delivery and logistics services and supply chain solutions, including logistics management, warehousing, packaging services and others. For the four (4) month period ended 31 October 2004, approximately 24.9% of the total revenue is attributable to the Customised Logistics Solutions services.

The Group currently operates a network of 72 stations, comprising 36 branches, 6 affiliate stations and 30 agents throughout East and West Malaysia. Dispatch/delivery and logistical operations workers comprise the majority of the Group's employee base – about 66.3% of the total workforce of 842 employees as at the Last Practicable Date. The Group has a fleet of approximately 150 trucks and vans used primarily for hauling of documents and parcels between stations and the National Hub (termed "line-haul" fleet) and for local pick-ups and deliveries. In terms of IT hardware, the Group has more than 340 personal computer terminals linked up on an internal network powered by 6 servers and spread throughout its facilities, 39 of its stations are currently linked up through the Group's central servers.

The business development plan for the Group, over the next five (5) years, is structured to achieve the following objectives:

- (a) Grow the business and sharpen it's competitive edge;
- (b) Capitalize on the growth of Customised Logistics Solutions Business; and
- (c) Maintain and improve its infrastructure network, systems and people advantage.

The proposed activities to be undertaken by the Group for the next five (5) years are as follows:

Brand & Image Management

The Group would leverage on the ISO 9001: 2000 Certification, SMI-DiGi ICT Adoption Award 2003, the 2nd Asia Pacific Award, International/Malaysia Honesty Enterprise – Keris Award 2003 and the SMI Phoenix Award obtained as opportunities to generate publicity for the "GDEX" brand in the local media as part of its series of advertising campaigns. The marketing of the Company's services and corporate brand name, along with the proposed listing on the MESDAQ Market, are anticipated to further boost GDEX's image and product reputation as well as raise awareness of the Company's services among potential customers. The listing status on the MESDAQ Market and the Group's eventual enlarged paid-up capital will lend confidence to potential customers and entice them to engage GDEX for solving their logistical needs.

8. SUMMARY OF FIVE (5) YEAR BUSINESS DEVELOPMENT PLAN (CONTINUED)

Marketing of Current Services to New Customers

The Group will beef up its marketing and sales functions to aggressively target acquisition of new customers. Besides standard overnight express delivery, the Group is also planning to introduce special "lane discounts" in the second quarter of 2005. "Lane discounts" are introductory discounts given to new customers on certain express delivery routes (e.g. Kuala Lumpur to Penang) for a limited period of time. The aim is to entice potential customers to try out the Group's services. These services, coupled with other value added services such as "tracking and tracing", are to provide a total customer satisfaction experience and ultimately "lock in" these potential customers.

Marketing of New Services to Existing and New Customers

The Group will continue to roll out its offer of Customised Logistics Solutions service to both existing and new customers. A new Projects Division has been set up to focus on offering this service and promoting its adoption by both existing and new customers. In particular, this new division would be aggressively pursuing outsourcing contracts for logistical services from customers.

In January 2005, the Group commenced the Premium Plus Services (same day express delivery services) for Citibank. The Group intends to launch this new service in the later part of the year to attract new business from both existing and new customers.

In view of the customer's increasing needs for better protection against losses or damages of shipments, the Group introduced the Enhanced Security Services scheme in March 2005. With the Enhanced Security Services, the Group is able to obtain insurance coverage for the high value items at the request of the customers.

The Group also offered High Risk Security Handling Services for the delivery of credit cards for financial institutions. The Group is able to offer these services with special facilities (such as strong-room and safes), special process flows, security surveillance system and reporting system.

With these strategic plans, GDEX is set to position itself to tap into the huge business potential in the Customised Logistics Solutions, while continuing to enhance its competitiveness in the existing express delivery industry.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

9 SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT**9.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDER****9.1.1 Shareholding in GDEX**

The direct and indirect interests of the Promoters and substantial shareholders of GDEX, in the issued and paid-up share capital of the Company upon completion of the Public Issue are as follows:-

Name	Designation	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
Promoters					
GDH	-	75,246,315	36.57	43,000,000 ¹	20.90
GD (BVI)	-	43,000,000	20.90	-	-
Leong Chee Tong	Executive Director	*8,029,995	3.90	-	-
Lau Wing Tat	Non-Independent Non-Executive Director	*7,530,000	3.66	-	-
Substantial Shareholders					
GDH	-	75,246,315	36.57	43,000,000 ¹	20.90
GD (BVI)	-	43,000,000	20.90	-	-
Teong Teck Lean	Chief Executive Officer/ Managing Director	*30,000	0.01	118,246,315 ²	57.47

Notes:-

1. Deemed interested by virtue of GD (BVI)'s interest in GDEX, pursuant to Section 6A of the Act; and
 2. Deemed interested by virtue of GDH's and GD (BVI)'s interest in GDEX, pursuant to Section 6A of the Act.
- * Assuming full subscription of their respective entitlements pursuant to the Pink Form Allocation

9.1.2 Profile of Promoters and substantial shareholders

The substantial shareholders of GDEX are GDH, GD (BVI) and Teong Teck Lean. The Promoters of GDEX are GDH, GD (BVI), Lau Wing Tat and Leong Chee Tong.

A brief background of the substantial shareholder and promoter, of GDEX, apart from those who are also Directors and key management of the Company, is set out below.

GDH is an investment holding company incorporated in Malaysia on 6 August 1992. As at the Latest Practicable Date, GDH has an authorised share capital of RM60,000,000, comprising 60,000,000 ordinary shares of RM1.00 each and the issued and paid-up share capital of RM20,955,835, comprising 20,955,835 ordinary shares of RM1.00 each.

The substantial shareholders and directors of GDH and their respective shareholdings in GDH as at the Latest Practicable Date are as follows:-

Name	Direct		Indirect	
	No of shares	%	No of shares	%
Directors and Substantial Shareholders				
Teong Teck Lean	20,349,499	97.11	606,336	2.89 ¹
Wang Herrg Tsuey	606,336	2.89	20,349,499	97.11 ¹

Note

¹ Deemed interested by virtue of Section 122A of the Act

9. SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONTINUED)

GD (BVI) was incorporated in the British Virgin Islands on 29 October 2003. GD (BVI) is principally an investment holding company. GD (BVI) has an authorized share capital of 50,000 ordinary shares of USD 1.00 each. The issued and paid-up share capital of GD (BVI) as at the Last Practicable Date is USD 1.00 comprising 1 ordinary share of USD 1.00.

GD (BVI) is a wholly owned subsidiary of GDH.

9.1.3 Directorships in Other Public Corporations

Save as disclosed below, none of the substantial shareholders or Promoters of GDEX has directorship in any other public corporations for the past two (2) years.

Promoter	Company	Principal Activities	Date appointed / resigned	% held as at the Last Practicable Date	
				Direct	Indirect
Lau Wing Tat	Thistle Hotels Plc	Owner & Operator of Hotels	3.11.1999/ 10.6.2003	-	-

9.1.4 Substantial Shareholdings in Other Public Corporations

None of the substantial shareholders or Promoters of GDEX has had substantial shareholdings (5% or more) in any other public corporations for the past two (2) years.

9.1.5 Changes in Substantial Shareholders and Promoters

The changes in Promoters and substantial shareholders and their respective direct shareholdings since the date of incorporation are as follows:-

	As at 7 October 2003		As at 8 February 2005		Upon Listing	
	Number of Shares	(%)	Number of Shares	(%)	Number of Share	(%)
Promoters and Substantial Shareholders						
Lai Lee Yee	1	50.00	10	*	10	*
Asrolnizam bin Mohamed Asmoai	1	50.00	10	*	10	*
GDH	-	-	75,246,315	44.07	75,246,315	36.57
GD (BVI)	-	-	43,000,000	25.18	43,000,000	20.90
Teong Teck Lean	-	-	-	-	30,000	0.01
Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid	-	-	3,990,000	2.34	4,040,000	1.96
Leong Chee Tong	-	-	7,999,995	4.69	8,029,995	3.90
Lau Wing Tat	-	-	7,500,000	4.39	7,530,000	3.66

* *Negligible*

9. SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONTINUED)**9.2 DIRECTORS****9.2.1 Profiles of Directors**

Dato' Ahmad Sufian @ Qurnain bin Abdul, aged 55, was appointed Chairman on 8 February 2005. He is the Chairman of WCT Engineering Berhad, a construction company listed on the Main Board of Bursa Securities. 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. He is also a Director of Malaysian Bulk Carriers Berhad, a shipping company listed on the Main Board of Bursa Securities. He qualified as a Master Mariner with a Masters in Foreign-Going Certificate of Competency from the United Kingdom in 1974 and 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 two (2) 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 Kelautan Malaysia. He is also a Founder Director of the Maritime Institute of Malaysia (MIMA).

Teong Teck Lean, aged 44, was appointed Managing Director and Chief Executive Officer on 8 February 2005. He started his career as an engineer with Texas Instrument in 1984. He later joined Lembaga Letrik Negara for four (4) years as a Consumer Engineer. He then moved on to join the stock broking industry and became a dealer with OSK in 1990. During this stint in the broking industry, he developed extensive contacts within the corporate world in Malaysian and developed the skills of running a company. In year 2000, he acquired the controlling stake in GDSB. Mr Teong is instrumental in turning around the group and put in place most of the corporate policies and practices that had been the key factors in contributing towards the success of the Group. He has a degree in Electrical and Electronics Engineering from the University of Manitoba, Canada.

Leong Chee Tong, aged 39, was appointed Executive Director and Chief Network Development Officer on 8 February 2005. He started his career with Ernst & Young in Singapore in 1989. He then proceed on to join Tai Wee, a leading frozen food trading house in Singapore in 1991, before moving on to NTUC Healthcare Co-operative ("NTUC") as its Finance Manager in 1995. During his five (5) years stint at NTUC, where he was eventually promoted as the Group Financial Controller, NTUC 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 program and distribution of health care products. He joined the Group in 2000 and had played a key role in GDEX's turnaround and success. He has designed and structured most of the key work flows and operational processes and IT system that are at the heart of the Group's business operations. He has a degree in Accountancy from the National University of Singapore.

Lau Wing Tat, aged 50, was appointed the Non-Independent Non-Executive Director on 8 February 2005. He started his career as a Project Engineer with Esso Singapore Private Limited in 1979. He then joined PA Consultant as an Assistant Consultant in 1982 before moving on to a career in Investment Management with the Government of Singapore Investment Corporation ("GIC") in 1983. Being with GIC for the next twenty (20) years, he played a number of different roles in various departments. He started off handling private equity investment such as Venture Capital and Leveraged Buyout Investments and also served as Secretary to the Board of Directors. He then specialized in managing investment portfolios investing in listed equities and subsequently took on the management roles in heading various investment teams in the Equities Department of GIC from 1984 to 2003.

9. SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONTINUED)

Mr Lau has extensive experience in investing in stock markets throughout the world. During his twenty (20) years with the Investment Management field, he had developed vast experience and knowledge about the general economy, industries and different business models adopted by established companies throughout the world. During this final four (4) years of service with GIC, he was an Assistant Director in the Equities Department's Director Office and was a member of the Senior Management team overseeing the entire equities investing operations of GIC. In addition, GIC appointed him to serve as a non-executive director on the Board of Thistle Hotels PLC (a UK hotel chain listed on the London Stock Exchange) and Distacom Communications Limited (a Hong Kong based regional cellular company). He joined the Group in May 2003. Mr Lau has a First Class Honour Degree in Mechanical Engineering from the University of Singapore and is a CFA charter holder. Mr Lau is currently the Managing Director and Co-Chief Investment Officer of DBS Asset Management Limited, a wholly owned subsidiary of DBS Bank in Singapore

Kong Hwai Ming, aged 44, was appointed Independent Non-Executive Director on 8 February 2005. He started his career with ESSO Refinery in 1981. From 1989 to 1991, he joined Petrochemical Corporation of Singapore. Mr. Kong moved on to work with CKG Chemicals Pte.Ltd. in 1991 till current and is now the Executive Director and substantial shareholder of the company. CKG Chemicals Pte Ltd has a turnover of USD100million per annum. Mr. Kong has more than 20 years of experience in trading of Petroleum and Petrochemicals products worldwide. He has a Diploma in Mechanical Engineering and Advance Diploma in Industrial Management from Singapore Polytechnic.

Nolee Ashilin Binti Mohammed Radzi, aged 30, was appointed Independent Non-Executive Director on 30 December 2004. Ms Nolee Ashilin started her career as an Accounts Officer with Le Proton LIMA Exhibition Sdn Bhd, Kuala Lumpur in 1997. From 2000 to 2001, she joined Le Proton LIMA Exhibitions Sdn Bhd, Ipoh as Finance Executive. Ms Nolee Ashilin moved on to work with 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 on policies for sports and youth in the Minister's Office. She has a BA (Hons) Accounting and Finance from the Manchester Metropolitan University, United Kingdom in 1997 and a Master in Business Administration from the Edith Cowan University, Australia in 2000. Ms Nolee Ashilin is an Associate Member of Certified Practising Accountant ("CPA") Australia.

Liew Heng Heng, aged 47, was appointed Independent Non-Executive Director on 8 February 2005. Ms Liew Heng Heng 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. Ms Liew completed CIMA in 1993 and joined Niramas Sdn Bhd as Accountant. From 1997 to 2002, she joined Southim (M) Sdn Bhd, as Accountant. Ms Liew Heng Heng moved on to work with Bison Stores Sdn Bhd as Finance and Administration Manager and is with the company till to date. She graduated from Systematic Institute Kuala Lumpur and holds a CIMA Certificate. Ms Liew is a member of the Malaysian Institute of Accountants ("MIA") and Chartered Institute Management Accountant ("CIMA").

9. SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONTINUED)**9.2.2 Shareholding in GDEX**

The direct and indirect interests of the Directors of GDEX in the issued and paid-up capital of GDEX upon completion of the Public Issue are as follows:-

Name	Designation	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
Directors					
Dato' Ahmad Sufian Qurnain bin Abdul Rashid	Independent Non-Executive Chairman	4,040,000*	1.96	-	-
Teong Teck Lean	Chief Executive Officer/ Managing Director	30,000*	0.01	118,246,315 ¹	57.47
Leong Chee Tong	Executive Director	8,029,995*	3.90	-	-
Lau Wing Tat	Non-Independent Non-Executive Director	7,530,000*	3.66	-	-
Kong Hwai Ming	Independent Non-Executive Director	5,000,000*	2.43	-	-
Nolee Ashilin Binti Mohammed Radzi	Independent Non-Executive Director	50,000*	0.02	-	-
Liew Heng Heng	Independent Non-Executive Director	50,000*	0.02	-	-

Note:

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

* Assuming full subscription of their respective entitlements pursuant to the Pink Form Allocation

9.2.3 Directorships in Other Public Corporations

Save as disclosed below, none of the Directors of GDEX has held directorships in other public corporations during the last two (2) years:-

Director	Company	Principal Activities	Date appointed / resigned	% held as at the Last Practicable Date	
				Direct	Indirect
Dato' Ahmad Sufian Qurnain bin Abdul Rashid	WCT Engineering Berhad	Construction	8.12.1996	0.58%	-
Abdul Rashid	Malaysian Bulk Carriers Berhad	Shipping	7.9.1996	0.31%	-
Lau Wing Tat	Thistle Hotels Plc	Owner & Operator of Hotels	3.11.1999/ 10.6.2003	-	-

9.2.4 Substantial Shareholdings in Other Public Corporations

None of the Directors of GDEX has had substantial shareholdings (5% or more), whether direct or indirect, in other public corporations during the last two (2) years.

9. SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONTINUED)**9.2.5 Executive Directors' Involvement in Other Businesses / Corporations**

As at the date of this Prospectus, none of the Executive Directors of GDEX, save and except for Teong Teck Lean and Leong Chee Tong, is involved in the operations of other business or corporations, save and except for the operations of the Group. Teong Teck Lean and Leong Chee Tong are passive shareholders and Directors of the following companies:

- i. GDX Private Limited, a private company incorporated in Singapore, which is involved in the provision of IT services;
- ii. GD Solutions Sdn Bhd, a private company incorporated in Malaysia, which is involved in the provision of IT services; and
- iii. GD Logistics Sdn Bhd, a private company incorporated in Malaysia, which is currently a dormant company.

9.2.6 Directors' Service Agreement

None of the Directors and key management or technical personnel of GDEX has any existing or proposed service agreements with the Company or any of its subsidiary Companies.

9.2.7 Directors' Remuneration and Benefits

The aggregate remuneration and benefits paid and proposed to be paid to the Directors of the Group for services rendered in all capacities to the GDEX Group for the FYE 30 June 2004 were RM358,461 and the current FYE 30 June 2005 are RM671,742.

The remuneration band of the Directors of GDEX is as follows:-

Remuneration and Benefits Band (RM)	Number of Directors	
	FYE 2004	FYE 2005
Below RM100,000	-	4
RM100,000 – RM200,000	3	1
RM200,000 – RM300,000	-	2
Total	3	7

9.2.8 Declaration

None of the Company's Directors is or was involved in the following events, whether in or outside Malaysia:-

- (a) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he/she was a partner or any incorporation of which he/she was a director or key personnel;
- (b) such person was charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (c) such person was the subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

9. SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONTINUED)**9.3 AUDIT COMMITTEE**

GDEX has set up an Audit Committee which comprises the following Board members:-

Name	Designation	Directorship
Dato' Ahmad Sufian @ Qurnain bin Abdul Rashid	Chairman of the Committee	Independent Non-Executive Director
Kong Hwai Ming	Member of the Committee	Independent Non-Executive Director
Liew Heng Heng	Member of the Committee	Independent Non-Executive Director
Leong Chee Tong	Member of the Committee	Executive Director

The main functions of the Audit Committee include the review of audit plans and audit reports with the Group's auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the balance sheet and profit and loss accounts, and nomination of auditors.

9.4 KEY MANAGEMENT AND TECHNICAL PERSONNEL**9.4.1 Profiles of Key Management and Technical Personnel**

The key management and technical personnel of the Group arraying Yong Phie Loong, Cheng Kee Leong, Earnest Jude David, Lam Yew Kwan, Tiang Chen Chen and Wong Eng Su. The profiles of these key management and technical personnel are as follow:

Yong Phie Loong, aged 50, is the Head of Courier Division. He started his career in 1973 as an Internal Audit Assistant in Central Securities (Holdings) Bhd (later renamed to Ganda Holdings Bhd), a public listed conglomerate engaged in plantations, manufacturing, properties, hotels, trading and services. He was later promoted to the position of company Group Financial Controller in 1982. In 1986, he was appointed as Chief General Manager of its associated company, Nationwide Express Sdn Bhd. Upon the sale of Nationwide Express to FedEx, USA in 1991, Mr Yong assumed the post of Regional Manager, Financial Planning and Analysis in FedEx. Subsequently, he joined Unico Trading Sdn Bhd as its General Manager from 1992 to 1993. Thereafter, Mr Yong worked as a Corporate Consultant to a number of companies and institutions. In 1997, he co-founded the courier business of GDSB and has contributed substantially to the current position of GDSB. Yong is an accountant by training, having completed the professional examinations of the Association of the Chartered Certified Accountants (ACCA) in 1974. He is currently a member of the Malaysian Institute of Accountants. He has served as President of ACCA Malaysia, a society of ACCAs in Malaysia for 3 terms from 1990 to 1991 and from 1992 to 1994.

Cheng Kee Leong, aged 49, is the Head of Transport Division. 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 an Auto Technician in the Malaysian Armed Forces and in Sagawa Express Group in Japan up to 1985 and as Technical Adviser in United Sagawa Sdn Bhd for 2 years from 1986 to 1987. He then moved on to various positions in courier service industries, which included Nationwide Express Sdn Bhd as Senior Manager, Transport and Operations from 1987 to 1997. Subsequently, he joined MBJ Co-Loaders Sdn Bhd as Senior Manager Transport and Operations in 1997. During his 6 years at MBJ Co-Loaders Sdn Bhd he was promoted to General Manager Operations and Logistics until year 2002. He joined GDEX in February

9. SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONTINUED)

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

Earnest Jude David, aged 38, is the Head of Projects. He started his career in 1987 at KL Hilton for 3 years. He then moved on to join WyWy Group (M) Sdn Bhd in 1992. He held various positions in WyWy Group, which included Retail Sales Assistant, Retail Supervisor, Area Retail Supervisor, Assistant District Manager, District Manager and Operations Manager. Each position came with additional responsibilities, which provided him with additional knowledge. He later joined GDSB in April 2002 as a Senior Executive and responsible for overseeing the Security Department, planning, implementation, investigations and enforcement of security measures for the company. He is presently responsible for warehouse and logistics operations.

Lam Yew Kwan, aged 40, is the Head of Finance. He holds a Bachelor of Economics Degree (major in Accounting) from the University of Adelaide, Australia. He is a member of the Malaysian Institute of Accountants and Certified Practicing Accountant ("CPA") Australia. He joined GDSB in May 2004. Prior to this appointment, he held the position of Chief Accountant in Yeo Hiap Seng (Malaysia) Berhad, where he had over 10 years of experience in a Company listed on the Main Board of the Bursa Securities. He has also worked in New Zealand after his graduation for several years attached to TNT Couriers (NZ) Ltd and Nu-Con Engineering (NZ) Ltd.

Tiang Chen Chen, aged 34, is the Head of Network Development Unit. She is a member of Chartered Institute Management Accountant (CIMA). She started her career as Account Assistant with See Hoy Chan Sdn Bhd from 1993 to 1995. She then moved on to join Ching and Associates as Senior Audit Executive up to 1998 before moving to OSK Securities Berhad as Institutional Trader from 1998 to 2000. She joined GDSB in 2000. She has held various positions within GDSB, namely Finance Executive, Senior Finance Executive, Central Region Manager and Regional Manager Central Region, before assuming her current position. She is responsible for implementation of plans for Network expansion and development and also for supervising compliance with Network policies and Standards.

Wong Eng Su, aged 34, is the Head of Sales and Credit. He graduated with Bachelor of Business (Human Resource Management / Economics) from University of Charles Sturt, Australia. Upon graduation, he joined A'Famosa Resort Hotel as Sales Coordinator and Executive up to year 2000. He then moved on to join GDSB in May 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 standard for the entire network.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

9. SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONTINUED)**9.4.2 Shareholding in GDEX**

The direct and indirect interests of the key management and technical personnel of GDEX in the issued and paid-up capital of GDEX upon completion of the Public Issue are as follows:-

Name	Designation	Direct		Indirect	
		Number of Shares	%	Number of Shares	%
Yong Phie Loong	Head of Courier Division	2,040,500	0.99	-	-
Cheng Kee Leong	Head of Transport Division	58,000	0.03	-	-
Earnest Jude David	Head of Projects	37,000	0.02	-	-
Lam Yew Kwan	Head of Finance	58,000	0.03	-	-
Tiang Chen Chen	Head of Network Development Unit	98,000	0.05	-	-
Wong Eng Su	Head of Sales and Credit	98,000	0.05	-	-

9.4.3 Directorships in Other Public Corporations

None of the key management and technical personnel of GDEX has held directorships in other public corporations during the last two (2) years.

9.4.4 Substantial Shareholdings in Other Public Corporations

None of the key management and technical personnel of GDEX has had substantial shareholdings (5% or more), whether direct or indirect, in other public corporations during the last two (2) years.

9.4.5 Key Management's Involvement in Other Businesses / Corporations

As at the date of this Prospectus, none of the key management and technical personnel of GDEX is involved in the operations of other business or corporations, save and except for the operations of the Group.

9.4.6 Service Agreements

None of the key management and technical personnel of GDEX has any existing or proposed service agreements with the Company or any of its subsidiary Companies, which are terminable by notice without payment of compensation.

9. SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONTINUED)

9.4.7 Declaration

None of the key management and technical personnel of GDEX Group is or was involved in the following events, whether in or outside Malaysia:-

- (a) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he/she was a partner or any incorporation of which he/she was a director or key personnel;
- (b) such person was charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (c) such person was the subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

9.5 FAMILY RELATIONSHIPS

There is no family relationship amongst the Substantial Shareholders, Promoters, Directors and Key Management of GDEX.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

10 APPROVALS AND CONDITIONS**10.1 CONDITION ON APPROVALS**

The Listing Proposal is subject to the approval of the following authorities:

- SC (approval obtained on 14 December 2004)
- FIC (via SC) (approval obtained on 14 December 2004)
- Bursa Securities (approval obtained on 16 December 2004)

The conditions imposed by the SC and FIC (via SC) in their approvals of the Listing Proposal are as follows:-

Details on conditions imposed	Status of Compliance
(i) GDEX to disclose the status of the utilization of proceeds to be raised from the public issue in its periodic and annual reports until the proceeds are fully utilized;	To be complied with.
(ii) GDEX to meet the 30% Bumiputera requirement within 1 year after GDEX has achieved the profit track record requirement for companies applying for listing on the Second Board of Bursa Securities or 5 years after being listed on the Mesdaq market of Bursa Securities, whichever is the earlier, in which the shares to be allocated to Bumiputera investors should be approved by the Ministry of International Trade and Industry (MITI);	To be complied with.
(iii) OSK/ GDEX to submit to the SC a preliminary proposal on how the company proposes to meet the Bumiputera equity condition, 6 months before the expiry date of compliance; and	To be complied with.
(iv) OSK/ GDEX to inform SC upon completion of the proposed floatation exercise.	To be complied upon Listing.

The FIC (via SC) had no objection to the changes in the equity structure of GDEX as follows:-

Shareholders	Before Proposal	After Proposal
	%	%
Bumiputera	50.00	-
Non-Bumiputera	50.00	90.06
Foreigner	-	9.94
Total	100.00	100.00

The conditions imposed by Bursa Securities in their approvals of the Listing Proposal are as follows:-

Details on conditions imposed	Status of Compliance
(i) GDEX to disclose in its Prospectus of the following:-	
<ul style="list-style-type: none"> • The efforts taken by the Group/mitigating factors to maintain, if not increase, the market share of the Group in the express carrier industry; 	Complied. Please refer to Section 4.2, Section 6.10 and Section 7.4.2 of this Prospectus.

10. APPROVALS AND CONDITIONS (CONTINUED)

Details on conditions imposed	Status of Compliance
<ul style="list-style-type: none"> • The uniqueness of GDEX's business model compared to its competitors; 	Complied. Please refer to Section 6.3 of this Prospectus.
<ul style="list-style-type: none"> • The prospects of Customised Logistics Solutions in the express carrier industry worldwide and in Malaysia; 	Complied. Please refer to Section 7.4 of this Prospectus.
<ul style="list-style-type: none"> • The basis for deeming the relief from royalty approach as the most suitable compared to other methods and the specific assumptions used to derive at the valuation of the IT Software System; 	Complied. Please refer to Section 14 of this Prospectus.
<ul style="list-style-type: none"> • Profit forecast, as proposed by the directors of the Company; 	Complied. Please refer to Section 12.3.1 of this Prospectus.
(ii) GDEX to inform Bursa Securities on the appointment of independent Directors and to provide confirmation that they qualify as independent Directors as defined in the MMLR; and	Complied.
(iii) GDEX and OSK to confirm that the members of Audit Committee comply with the requirement in the MMLR	Complied.

10.2 MORATORIUM ON SHARES

Paragraph 2.10.2 of the Listing Requirements state that Shares held by the Promoters of GDEX amounting to 45% of the nominal issued and paid-up capital of the Company at the date of admission of the Company to the Official List of the MESDAQ Market, are to be placed under moratorium. The Promoters whose GDEX Shares are subject to moratorium is as follows:-

Promoter	After Public Issue		Under moratorium	
	No. of Shares	%	No. of Shares	%
GDH	75,246,315	36.57	52,089,875	25.32
GD (BVI)	43,000,000	20.90	29,767,101	14.47
Leong Chee Tong	8,029,995	3.90	5,538,062	2.69
Lau Wing Tat	7,530,000	3.66	5,191,936	2.52
Total	133,806,310	65.03	92,586,974	45.00

The moratorium has been fully accepted by the Promoters and shareholders listed above and they will not be allowed to sell, transfer or otherwise dispose of any part of their interest in the GDEX Shares under the moratorium within one (1) year from the date of admission of the Company to the Official List of the MESDAQ Market, and thereafter, they are permitted to sell, transfer or otherwise dispose of up to a maximum of one third per annum of their respective shareholdings under moratorium on a straight-line basis.

The restriction which is fully acknowledged by the aforesaid shareholder is specifically endorsed on the notice of allotment representing its shareholdings which are under moratorium. The Registrar and Bursa Depository have been informed in writing in relation to the moratorium of the aforesaid Promoter to ensure that it does not register any transfer not in compliance with the moratorium restriction.