GDEX BERHAD
(Registration No. 200301028159 (630579-A))

ANNUAL REPORT 2021

ACCELERATING IN THE NEW ERA

CONTENTS

GDEX

POSITIONING STATEMENT

Enabling the future with GDEX 2.0

For over two decades, GDEX has successfully established a track record of bringing speed and reliability to connect people and commerce in an era of rapid digitalisation. Our in-house express delivery and logistics solutions are powered by our experience in process engineering, technology integration, and digital innovations.

Today, as technology permeates all fabrics of society, we are seeing rapid convergence across industries, with disruption and blurring of traditional boundaries among businesses. Recognizing these trends, we are investing beyond logistics, to harness next-generation technologies that will open up new opportunities for our growth in the long term.

Our robust digital infrastructure uniquely positions us to capitalize on the future.

Presenting GDEX 2.0: our vision towards building a new platform-based digital ecosystem that shapes the future of human connection and commerce. Leveraging our supply chain competencies and extensive infrastructure, we will be investing significantly in the next few years into new innovations and exciting areas to accelerate our transformation.

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI MUHAMMAD BIN IBRAHIM
Independent Non-Executive Chairman

TEONG TECK LEAN
Managing Director/
Group Chief Executive Officer

LIM CHEE SEONG
Executive Director/
Chief Financial Officer

LEE KAH HIN
Executive Director/
Chief Investment Officer

CHUA PUT MOY
Independent Non-Executive Director

LOW NGAI YUEN
Independent Non-Executive Director

HIROSHI ETANI
Non-Independent Non-Executive Director
(Appointed on 1 April 2021)

DATO' AZMAN BIN MAHMUD
Independent Non-Executive Director
(Appointed on 1 June 2021)

NURAINI BINTI ISMAIL
Independent Non-Executive Director
(Appointed on 1 January 2022)

YIK YEN SHAN, VINCENT
Non-Independent Non-Executive Director
(Appointed on 11 February 2022)

SHUJI YAMAUCHI
Non-Independent Non-Executive Director
(Resigned on 1 April 2021)

ADI ARMAN BIN ABU OSMAN
Independent Non-Executive Director
(Resigned on 1 January 2022)

LAI TAK LOI
Non-Independent Non-Executive Director
(Resigned on 10 February 2022)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chua Put Moy *(Chairperson)*
Low Ngai Yuen
Nuraini binti Ismail

COMBINED NOMINATION AND REMUNERATION COMMITTEE

Nuraini binti Ismail *(Chairperson)*
Chua Put Moy
Low Ngai Yuen

COMPANY SECRETARIES

Tan Ai Ning *(MAICSA 7015852)*
(SSM PC No.: 202008000067)
Tan Seiw Ling *(MAICSA 7002302)*
(SSM PC No.: 202008000791)

AUDITORS

Deloitte PLT *(LLP0010145-LCA)*
Chartered Accountants (AF 0080)
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel : 03-7610 8888
Fax : 03-7726 8986

REGISTERED OFFICE

12th Floor, Menara Symphony
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46200 Petaling Jaya
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ADVOCATES & SOLICITORS

Lee & May
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50450 Kuala Lumpur
Tel : 03-2163 3816
Fax : 03-2161 1816

CORPORATE HEAD OFFICE

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46050 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7787 2222
Fax : 03-7787 6686

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
(Registration No. 199601006647 (378993-D))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Sekyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7890 4700
Fax : 03-7890 4670

PRINCIPAL BANKER

Malayan Banking Berhad *(3813-K)*

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK NAME AND CODE

GDEX : 0078

WARRANT NAME AND CODE

GDEX-WC : 0078WC

CORPORATE WEBSITE

www.gdexpress.com

GROUP STRUCTURE

GDEX BERHAD
(Registration No. 200301028159 (630579-A))

INVESTMENT HOLDING

Listed on Main Market of Bursa Malaysia Securities Berhad

16%

10%

18.5%

44.5% **PT Satria Antaran Prima TBK****
Express Delivery
Listed on PT Bursa Efek Indonesia

100% **GD Valueguard Sdn Bhd**
Insurance Agent Services

100% **GDEX SEA Sdn Bhd**
Investment Holding

100% **GD Venture (M) Sdn Bhd**
Transportation Services

100% **GD Facilities & Assets Management Sdn Bhd**
Facilities & Assets Management

100% **GDEX Properties Sdn Bhd**
Property Investment

100% **GD Express Sdn Bhd**
Express Delivery

100% **GD Logistics (M) Sdn Bhd**
Logistics Operations

100% **GD Distribution Services Sdn Bhd**
General Trading

100% **GD Secured Solutions Sdn Bhd**
Express Delivery

100% **GD Customised Solution Sdn Bhd**
Insurance Agent Services

100% **GD Express (Singapore) Pte Ltd**
Express Delivery

100% **GDEX Regional Alliance Pte Ltd**
Investment Holding (Dormant)

90% **VIVL Pte Ltd**
Advisory Services (Dormant)

100% **PT Gede Advisory Indonesia**
Provision of Advisory Service

50% **Noi Bai Express and Trading Joint Stock Company**
Express Delivery

49.81% **GDComma Resources Joint Stock Company^^**
Provision of IT Outsourcing Services

32.69% **Web Bytes Sdn Bhd##**
Software Solutions

- Malaysia subsidiary companies
- Singapore subsidiary companies
- Indonesia subsidiary company
- Vietnam subsidiary company

- Malaysia associate company ##
- Indonesia associate company **
- Vietnam associate company ^^


TAN SRI MUHAMMAD BIN IBRAHIM
CHAIRMAN

CHAIRMAN'S STATEMENT

We are gradually entering into a post-COVID-19 pandemic that will be new normal to our operating environment, behavioural changes at both the households and businesses levels and supply chain disruptions that will lead to new ways of getting resources, the onslaught of new entrants with huge capital and resources, the unfettered competition of foreign-owned entities in the domestic markets that skewed the level playing field, new rules and regulations that might require rethinking, and in many instances the way we work will forever change. All these forces of change will force us to relook anew at the way we do business.

At the macro level, the Malaysian economy is expected to improve, given the overall growth of the global economy. While we had seen GDP contracted by 5.6% in 2020, the GDP growth of 3.1% in 2021 showed signs of economic recovery. The GDP projection of 5.75% growth for 2022 bodes well for the industry.

Like any other industry, the courier and logistics sector was also impacted by the pandemic. Continued disruption in global supply chains resulted in escalating freight costs and delays in the movement and goods across all industries. But the prolonged lockdowns had also accelerated the trends already in place. For example, the latent demand for e-commerce from households and businesses plans to adopt online platforms to cater to new consumers' needs, had coincided during the lockdown.

CHAIRMAN'S STATEMENT
cont'd

An extensive study jointly conducted by Bain & Company and Facebook reported that South East Asia's migration from offline to online economy in 2020 had accelerated beyond initial projections. Consumers in the emerging region were more open to a broader range of products that could be purchased online. Even with the resumption of the in-person shopping experience, the study found that 75% of time spent on online shopping is expected to remain. Most consumers planned to increase or maintain online spending on groceries, self-care, and goods in other categories.

Faster delivery was cited as one of the three main reasons for consumers' decision making, after product quality and better pricing. These findings strengthen the argument that the courier and logistics industry will thrive provided that the industry can provide cost-effective, efficient and reliable services, a clarion call for top-notch logistics and logistics services.

Taking recognizance of the external environment besieging us, we have embarked on a journey to reinvent ourselves with GDEX 2.0, a strategy to become an agile, forward-thinking and consumer-centric organisation. This transformation will entail continuously improving our consumer experiences, relooking at human resource capital and development, enhancing automation, and making strategic investments that will enhance synergistic benefits and expanding the company's sources of income and promoting collaboration with business partners. We will continue to harness the immense potential of technology, by utilising advanced digital and platform initiatives as part of our ongoing rejuvenation process.

The Group's name change from GD Express Carrier Berhad to GDEX Berhad ("GDEX") initiated in October 2020 reflected this new journey to become a technology-driven company. Barring any unforeseen circumstances, GDEX will strengthen and grow on the back of our position as a strong courier and logistics company in South East Asia. However, the success of this transformation will depend on our ability to enhance the capability and capacity of our people, processes, and agility.

Alongside our ongoing transformation process, GDEX will incorporate practices and implement ESG principles as our core values. It is our contribution as a responsible corporate citizen. Our efforts and emphasis on these areas were recognised as the company has been included as a member of the FTSE4Good Bursa Malaysia Index since 2016. This inclusion among the top 200 Malaysian stocks in the FTSE Bursa Malaysia EMAS Index recognises that our corporate responsibility practices are consistent with FTSE's global ESG model.

In August 2021, GDEX successfully implemented the ISO 37001:2016 Anti-Bribery Management System, which is designed to prevent, detect, and respond to bribery incidences. It is a system that guides establishing, implementing, maintaining and improving anti-bribery policies and practices. With its implementation, it is envisioned that this certification would enhance stakeholders' confidence when conducting business transactions with GDEX.

GDEX will continue to embrace diversity, and with the appointment of Puan Nuraini Binti Ismail as Independent Non-Executive Director on 1 January 2022, the recommended practice of Bursa Malaysia-listed entities to have at least 30% representation of women on the Board of Directors is now a reality.

GDEX has also embarked on numerous initiatives relating to carbon neutrality by adopting renewable energy across the Group. These include enforcing mandatory clean fuel usage for vehicles in our logistics fleet, introducing all-electric scooters for sustainable last-mile deliveries under our 'Go Green' initiatives since November 2021, and implementing solar as a source of

CHAIRMAN'S STATEMENT
cont'd

energy. We are determined to implement initiatives that enhance sustainability and will embark on developing a framework and monitoring system to identify, implement and generate key performance indicators that track meaningful progress on this front.

Malaysia's logistics and logistics services sector landscape is expected to be characterised by fierce competition that might further fragment an already fragmented industry. If not well regulated and supervised, a crowded market of more than 100 licensees will lead to an uneven playing field, value-destroying price undercutting practices and poor service quality to consumers. Failure to address these issues will cause domestic-based companies to face existential threats as new foreign-based companies that are well capitalised, seek to claim their share of the burgeoning domestic e-commerce market by whatever means.

Therefore, to survive and thrive under this complex and unfettered competition, the company's management and the Board will continually formulate new strategies to ensure growth, competitiveness and survival.

APPRECIATION

On behalf of the Board, I would like to express my gratitude to the management and all employees for their efforts and perseverance in these difficult times amidst the challenges posed by the COVID-19 pandemic and the ever-changing industry landscape.

I like to convey our appreciation and thanks to our customers, shareholders, business associates, and regulatory bodies for their continued support. We look forward to delivering sustainable value for all our stakeholders as we enter the post-COVID-19 era.

I would like to thank Mr. Shuji Yamauchi for his contributions throughout the duration of his tenure on the Board. Mr. Shuji resigned from his position as Non-Independent Non-Executive Director on 1 April 2021 following the reorganisation of the Yamato Group. At the same time, I have the pleasure of welcoming Mr. Hiroshi Etani, who was appointed as a Non-Independent Non-Executive Director.

Our appreciation goes to Mr. Richard Lai for his contributions to the company and we welcome his successor, Mr. Vincent Yik, to the Board. I would also like to place on record our appreciation to Encik Adi Arman Bin Abu Osman, who has resigned from the Board, for his many contributions in the past.

I would like to welcome Dato' Azman Bin Mahmud, who has past experience in industrial development and private investment facilitation, appointed as Independent Non-Executive Director on 1 June 2021. I would also like to welcome Puan Nuraini Binti Ismail, who has extensive experience in finance, treasury, and accounting, to the Board on 1 January 2022.

As we move forward, I am confident that GDEX will become a stronger company that will fulfill the aspirations of our stakeholders.

TAN SRI MUHAMMAD BIN IBRAHIM
Chairman

Accelerating in the New Era

An imperative component of our paradigm shift is digitalisation – the way forward for GDEX. As the business landscape evolves over time, the solutions that we develop will also have to cater to these changes. We strive to develop digital solutions and platforms that are premised on Customer First and Innovation – the core values of our GDEX Philosophy. The road to digital will pave GDEX's way in the new era.


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LEVEL UP YOUR
FACEBOOK LIVE
WITH BEELINE


WHY BEELINE?
INTEGRATED WITH FACEBOOK LIVE
INTEGRATED SHIPPING SOLUTION
INTEGRATED WITH PAYMENT GATEWAY
CAPTURE ORDERS AUTOMATICALLY
LOWER OVERHEADS
BEELINE WEBSTORE

TEONG TECK LEAN

MANAGING DIRECTOR /

GROUP CHIEF EXECUTIVE OFFICER

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

The events unfolding over the last two years were 'once in a lifetime occurrences'. We were never prepared for a contagious disease of such magnitude. Nevertheless, the GDEX team was agile enough in managing the downsides arising from the COVID-19 pandemic.

As global logistics was among the handful of industries whose operations were deemed essential services, the domestic industry saw many entrants, given the attractive business propositions and low barriers to entry. This made the already-crowded market even more so, with intense price competition and at times to the detriment of quality service.

Courier companies, particularly domestic players, face an existential threat due to increased operating costs, such as higher expenditure for enhanced safety measures and additional compliance and regulation costs, on top of more stringent risk mitigation plans for business continuity.

Even as we operate in an extremely challenging landscape, I am pleased that we are mindful of our responsibility to our stakeholders: to add value to stakeholders' holdings and expectations.

In this respect, we had already begun putting the building blocks for more excellent resiliency into our business model. The change of name to GDEX Berhad is a reflection of this effort.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT
cont'd

We had introduced more digitalisation in our operations and processes, which was timely as it enabled closer interactions, deepened bonds, and encouraged repeat transactions with our clientele base during the pandemic.

We continue to reinforce our position as a trusted logistics provider to those seeking growth in a dynamic business environment at the regional level.

Going forward, we are embarking on opportunistic investments beyond logistics to harness next-generation technologies to enhance the company's resiliency as we continue our journey to become a well-diversified and sustainable entity with multiple growth businesses.

OPERATIONAL DEVELOPMENTS

Our journey into the future is reflected in our strategic GDEX 2.0 roadmap that incorporated a holistic approach to our business through the five pillars of our corporate qualities; people, process, platform, product, and speed.

People

Talent development is key to achieving our business goals, and we continuously strive to hire and nurture motivated individuals to join and grow with us in our journey. As our operations expanded and resources optimised, our workforce was reduced in FPE2021, with a total manpower count at 4,244 from 4,308 previously.

Additionally, we provide our workforce with substantial training opportunities to keep abreast of industry practices and support their long-term career growth. Our workforce underwent 41,867 manhours of training from 25,495 manhours in the previous year.

Going forward, we have set plans in place to attract more specialists from diverse domains, ranging from human resources to technology workers and corporate strategists, towards realising GDEX 2.0.

We will continue to identify and develop talents to lead internal projects and pursue innovations. We strive to foster an environment where our workforce is aligned to the company's true north, with empowerment being the main theme in bringing value to our stakeholders. With a solid foundational belief, we can achieve new heights together.

Process

GDEX aims to increase efficiency through process automation and embrace digitalisation across our operations.

The Group's new sorting hub in Petaling Jaya, Selangor, is expected to be operational in December 2022. The new facility would double our current sorting capacity from 175,000 parcels/day to 350,000 parcels/day, significantly boosting operational productivity and enhancing workforce safety with increased automation.

We are also reviewing existing processes to embark on an organisation-wide digitalisation to drive efficiency and capabilities to enable GDEX to deliver an excellent customer experience. This ongoing initiative will involve implementing new systems and technology solutions to enable seamless integration with our customers, where appropriate.

Digital Platform

Our in-house online shipping platform, myGDEX portal, has increased adoption among enterprise and e-commerce clients in financial period ended 2021 ("FPE2021").

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT
cont'd

We intend to roll out myGDEX for the regional markets, starting from Singapore and eventually Indonesia and Vietnam, for customers to harness the benefits of seamless integration and higher efficiency.

In addition, the myGDEX Prime platform gained traction during the prolonged lockdowns, providing a seamless shipping experience to our corporate customers, which enhanced the efficiencies of their business operations. The myGDEX Prime platform represents our continued efforts to bring our customers a more comprehensive range of digital solutions.

myGDEX and myGDEX Prime showcases the beneficial use of technology for Business-to-Business and Business-to-Consumer segments, bringing us close-to-customers through deeper integration with their businesses or daily activities. It has also contributed to increased transparency in internal and external processes with our customers, making mutual collaboration possible.

Furthermore, we introduced Beeline in March 2021, a social commerce platform with an automated order management system for selling through social media platforms, websites, and other channels. Through Beeline, Small and Medium Enterprises (SMEs) can immediately catapult their businesses to obtain omnichannel presence and enjoy the convenience of automated order collection and payments, customer support, and seamless integration with our delivery solutions.

In 2022, we aim to introduce more new solutions that enable our customers to achieve greater predictability and reliability in last-mile capabilities and innovative products such as insurance and products that address wider pain points. This will also help us grow our reach among SMEs.

Product

We strive to continuously enhance the comprehensiveness of our domestic and international express carrier solutions and logistics and warehousing solutions to enable our customers' leverage on our wider, faster and better reach. These expansions would be sourced through in-house innovations, collaborations, and strategic interests.

These efforts allow us to strengthen our value proposition in being a more holistic, one-stop solutions provider backed by reliable and extensive infrastructure that fulfils demand seven days a week.

Speed

In the fast-evolving landscape of converging businesses, we aim to be agile to adapt and execute our business strategies at speed, which will be the defining factor towards successful transformation. Speed is embedded across our entire operations, such as work processes, development of new products and platforms, and customer service, supported by the extensive use of technology and automation.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT
cont'd

Furthermore, speed and reliability of delivery are the priority demands of businesses and consumers alike and are the hallmarks of a successful logistics and courier services provider. This necessitates continuous expansion in our presence and infrastructure upgrades. In FPE2021, our customer access points, comprising branches, agents, and Point of Presence grew threefold from 450 outlets in FY2020.

We also expanded our logistics fleet and have 1,414 vehicles in service in FPE2021 from 1,277 vehicles in the previous year. The additional vehicles have increased our carrying capacity to 4,442 tonnes per year from 3,905 tonnes previously.

Regional Highlights

GDEX has set sights on being a regional logistics provider through our expanding presence across Malaysia, Singapore, Indonesia, and Vietnam.

In FPE2021, Noi Bai Express and Trading Joint Stock Company ("NETCO"), our 50%-owned subsidiary in Vietnam, registered lower revenue and business activities resulting from full lockdowns in several regions due to the COVID-19 pandemic.

Nevertheless, we look forward to better performance as the overall environment improves, alongside continued new customer acquisition and implementation of strategic operational enhancements.

Meanwhile, PT Satria Antaran Prima Tbk (SAPX), our investment in Indonesia in which we hold a 44.5% associate stake, maintained largely resilient in FPE2021, benefiting from new customer acquisitions and stricter cost controls to maintain prudent amidst the pandemic.

Going forward, we will leverage our specialist teams internally to drive collaboration across our regional platform. This will involve creating new logistics routes and securing clientele for importation services, complementing the existing export-oriented services offered by our regional business units, towards generating a more holistic and regionally integrated platform.

GROWTH IN THE DIGITAL ERA

GDEX's growth focus is on enhancing our digital and technological competencies, which will form the core of our new products and business segments.

The COVID-19 pandemic has brought greater focus on the importance of business resiliency and the need to think out of the box to develop innovative solutions. In this regard, the partnership between public and private sectors has become imperative, and GDEX will step up collaboration and partnership efforts in our drive towards bringing better solutions to the marketplace. This understanding of the dynamics will shape our pursuits as we move forward.

We will continue to develop new products aimed at providing comprehensive digital solutions for customers and excellence in service quality in delivering our logistics services. Our expertise and close contact with customers, and our penchant for adopting next-generation technologies provide a good base for our new products to be customer-centric and enjoy market acceptance.

Additionally, we aim to build new business segments that will generate additional revenue streams and profit centres by leveraging our supply chain competencies and extensive infrastructure to create a more resilient platform that will drive sustainable growth.

These growth initiatives will also be complemented by strategic investments into strengthening our core business and expansion of our business and investments portfolio.

CERTIFICATION AND TECH INCENTIVE

As part of our continued implementation of and commitment to corporate governance best practices across our organisation, GDEX obtained the ISO 37001:2016 Anti-Bribery Management Systems (ABMS) certification from SIRIM QAS International Sdn Bhd in FPE2021. We are also working towards being certified to ISO 27001 standard for Information Security Management Systems (ISMS).

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT
cont'd

In addition, the Group's wholly-owned subsidiary GD Express Sdn Bhd, had on 10 November 2020 received approval from the Malaysian Investment Development Authority (MIDA) for a second round of integrated logistics services (ILS) tax incentive. GDSB was granted pioneer status and will be eligible for tax exemption of up to 70% on its statutory income for a period of five years.

CORPORATE SUSTAINABILITY

In our pursuits to reinforce our leading provider of logistics and courier services in the region, we recognise the importance of our role in being dedicated to developing resilient communities and safeguarding the health of the environment.

As we grow, we will continue to identify ways to reduce our environmental footprint, set benchmarks in governance standards, and create value for our stakeholders sustainably.

More details on our efforts in creating a sustainable business and a greener world are outlined in our Corporate Sustainability Report on page 36.

FUTURE VISION

The metanarrative of our renewal is captured through our vision of transformation into GDEX 2.0, as we become a technology-driven company with a comprehensive regional logistics ecosystem. We are confident that the future holds promising growth opportunities for our Group as we bring innovations through collaborative efforts with stakeholders, collaborating in shaping the company's future.

ACKNOWLEDGEMENT

We are grateful for all the contributions to GDEX's successes to date by all parties involved, and all efforts, no matter how small, are deeply valued. Our appreciation goes first and foremost to our employees for their relentless efforts and the Board and management of GDEX, our business partners, and various government bodies and organisations.

I look forward to a new chapter of growth for GDEX as we commence the GDEX 2.0 journey and look to scale to greater heights in the region together with our stakeholders and business partners.

TEONG TECK LEAN
Managing Director and Group Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

This Management Discussion and Analysis (MD&A) covers an 18-month financial period from 1 July 2020 to 31 December 2021 (FPE2021), following a change in GDEX's financial year end from 30 June to 31 December.

During the 18 months financial period under review, the Group sustained its business performance across its operations in Malaysia, Singapore, Indonesia, and Vietnam, despite the challenging environment posed by the COVID-19 pandemic and tough competition in the industry.

FINANCIAL REVIEW

Income Statement

GDEX achieved revenue of RM636.9 million for the 18-month FPE2021. For the 12-month financial year ended 30 June 2020 ("FY2020"), the Group registered revenue of RM364.0 million.

Segmentally, express deliveries remained the major revenue contributor, making up RM578.0 million or 90.7% of group revenue in FPE2021. The operating profit (EBIT) margin of the express deliveries segment stood at 8.7% in FPE2021, improving 1.6 percentage points (ppts) from 7.1% in FY2020, attributed to enhanced operating efficiency from prudent management of resources, greater digitalisation of processes and a deliberate focus on high yielding business segments.

Meanwhile, the logistics services segment contributed RM57.2 million or 9.0% of group revenue in FPE2021. Logistics services EBIT margin made significant improvement of 6.0 ppts to 17.7% in FPE2021, compared to 11.7% in FY2020, mainly on increased demand of logistics services and productivity of warehouse assets. This was driven by higher business activity from key customers during the prolonged lockdowns.

Group profit before tax ("PBT") amounted to RM58.2 million for FPE2021, while profit after tax and non-controlling interest attributable to shareholders ("PATMI") stood at RM41.5 million in FPE2021. This was attributed to enhanced operating efficiencies as well as higher earnings contribution from the Group's investee companies in Indonesia and Vietnam, namely PT Satria Antaran Prima TBK ("SAPX") and Noi Bai Express and Trading Joint Stock Company ("NETCO").

Financial Position

The Group's liquid financial assets, comprising deposits, cash and short-term investments amounted to RM274.2 million as at end-FPE2021, increased slightly from RM267.7 million as at end-FY2020. The Group continued to be prudent in its financial position, to withstand challenges stemming from Covid-19 pandemic and competitive pricing in the courier services and logistics industry.

Shareholders' equity or net assets remained similar at RM496.3 million as at end-FPE2021 versus RM496.4 million as at end-FY2020. More importantly, the Group maintained its net asset position in FPE2021, highlighting its financial resilience and capability to execute growth plans, which include capacity expansion as well as mergers and acquisitions.

Cashflow Management

GDEX recorded healthy cash flow with RM118.3 million in net cash from operating activities in FPE2021.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

Net cash used in investing activities amounted to RM0.5 million, after considering investments into property plant and equipment of RM19.6 million, a decrease in fixed deposits pledged with licensed banks of RM22.7 million, as well as an increase in the placement of short-term funds of RM12.0 million.

Meanwhile, net cash used in financing activities amounted to RM103.6 million, following the payment of lease liabilities, hire purchase payables, dividend payments, and repurchase of shares.

INVESTMENT COMPANIES HIGHLIGHTS

PT Satria Antaran Prima Tbk (SAPX), in Indonesia

GDEX made its maiden regional investment back in December 2016, via the subscription of a five-year 40% equity stake convertible bonds of PT Satria Antaran Prima Express (SAPX) for IDR30.0 billion (approximately RM10.0 million). Following that, GDEX assisted in the company's business strategy, operating and reporting systems, as well as strengthened the financial health of SAPX. After a year of internal restructuring and revamping of processes, SAPX successfully listed on the Development Board of Indonesia Stock Exchange in October 2018. Later, GDEX further subscribed to its IPO shares whilst SAPX redeemed the convertible bonds from GDEX.

Upon the listing, GDEX Group holds an effective 44.5% equity stake in SAPX and there has been no changes to the equity stake to date.

SAPX has been growing strongly in the robust Indonesian market. The company successfully turned profitable in FY2019, a year after the IPO. This was mainly due to its strong foothold in the Business-to-Business ("B2B") segment, prudent utilisation of IPO funds, successful implementation of its expansion plans, and efficient cost control.

With its strong foundation in the B2B segment, SAPX reinvested and expanded into the e-commerce delivery ("B2C") segment, which became its fastest growth engine in the past two years. The e-commerce delivery segment generated 18% of SAPX's total revenue in FY2021. The Company's reputation is built on a number of important factors, such as integrated warehouse fulfilment services and Cash-on-Delivery services.

To support the growth of its businesses, SAPX has been expanding its operational capabilities to ensure smooth delivery of services to its customers. In FY2021, SAPX operates a total of 209 branches across Indonesia, as compared to 154 branches in FY2020.

The following tables show the growth of SAPX's delivery assets over the years since its IPO in 2018:

Table: Expansion of workforce since IPO in 2018

FYE December	2018	2019	2020	2021
Permanent Employees	417	343	255	238
Contract Employees	1,783	3,011	2,616	4,012
Partner	-	-	1,156	1,241
Total	**2,200**	**3,404**	**4,027**	**5,491**

Source: Annual Reports from SAPX

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

Table: Growth of delivery volume since IPO in 2018

FYE December	2018	2019	2020	2021
Number of couriers	1,335	1,712	2,010	3,412
Shipment volume (in kg)	25,951,038	25,718,496	33,291,033	51,238,637
Shipment volume (in pieces)	17,478,631	17,221,563	21,747,557	29,011,702

Source: Annual Reports from SAPX

Table: Number of operating vehicles since IPO

FYE December	2018	2019	2020	2021
Total fleet	248	311	335	467

Source: Annual Reports from SAPX

For FY2020 and FY2021, SAPX continues to report commendable financial performance despite facing challenges from the COVID-19 pandemic. While there are opportunities arising from the surge in online transactions, sound execution on the ground operations remains as a key differentiator in this intense operating environment.

In FY2020, SAPX reported revenue growth of 14.4% to achieve IDR451.6 billion (approximately RM131.0 million) as compared to its reported revenue of IDR394.8 billion (approximately RM114.5 million) in FY2019. However, its net profit in FY2020 has declined by 20.7% to IDR31.3 billion (approximately RM9.1 million) from IDR39.5 billion (approximately RM11.5 million) in FY2019. Apart from increasing operating expenses, the decline was mainly due to an accounting adjustment for its unbilled revenue in FY2019 that contributed to a one-off increment to its revenue. This one-off exercise only occurred for its first full 12 months reporting post-IPO in 2019. The profit from FY2020 onwards will be normalised.

In FY2021, the revenue grew by 32.6% to IDR598.8 billion (approximately RM173.6 million) from IDR451.6 billion (approximately RM131.0 million) in FY2020. The net profit has grown 44.1% to IDR45.1 billion (approximately RM13.1 million) from IDR31.3 billion (approximately RM9.1 million). This was mainly driven by the increased volume due to lockdowns as well as the extensive range of integrated services that SAPX provides to its customers.

For the 18 months period (July 2020 – December 2021), SAPX contributed 44.5% share of net profit of IDR25.8 billion (or RM7.5 million) to GDEX's group net profit.

The Board and management of SAPX remains optimistic for its growth and development in FY2022 on the back of social economic recovery and strengthening of economic fundamentals in 2022. The Board of Directors believes that the more favourable economy will bring positive impact to all businesses in general, including the logistics and courier services industry where SAPX is operating in.

Noi Bai Express and Trading Joint Stock Company ("NETCO"), in Vietnam

GDEX made its next regional investment in December 2019, through the acquisition of 50% stake in NETCO, a prominent express delivery and logistics service provider in Vietnam. NETCO's financial performance had been consolidated in the Group's accounts since January 2020.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

As of December 2021, NETCO has four central hubs with 40 branches and sub-branches, with about 1,000 employees and 167 vehicles to serve all provinces in Vietnam.

Vietnam was not spared from the COVID-19 pandemic. However, while last mile delivery is considered as an essential service in Malaysia, NETCO was prohibited from operating during the lockdown in Vietnam. Despite that, NETCO was still able to grow and remain profitable in FY20 and FY21.

As NETCO adheres to the Vietnamese Accounting Standard (VAS) instead of International Reporting Financial Standards (IFRS), its IFRS reporting period is aligned to the financial reporting period of GDEX Group for audit purposes.

For the period of January 2020 to June 2020, NETCO reported revenue of VND 152.3 billion (approximately RM27.6 million) with net loss of VND477.0 million (approximately RM86.3k). This was mainly due to the seasonal factor, where all operations slow down during long holiday for Lunar New Year and with February being a short month. Typically, NETCO experiences a stronger second half of its FYE.

For the period of July 2020 to December 2021, which is the 18-month reporting period that is aligned to GDEX, NETCO generated revenue of VND499.0 billion (approximately RM89.9 million) and net profit of VND13.0 billion (approximately RM1.9 million). The net profit contribution to the Group after non-controlling interests is RM0.97 million.

Travel restrictions were imposed for two years after the investment was completed. As such, there was not much support rendered from GDEX to grow NETCO. Going forward, the Group will continue to impart its expertise towards enhancing NETCO's performance through broadening its customer base, introducing more business-to-business (B2B) and customer-to-customer (C2C) services, as well as optimizing operational efficiency.

STRATEGIC INVESTMENTS HIGHLIGHTS

Web Bytes Sdn Bhd ("Web Bytes")

GDEX currently holds a 32.69% stake in the cloud-based Point-of-Sales ("POS") provider, Web Bytes Sdn Bhd ("Web Bytes"), following the acquisition of 30% equity stake in 2016 from Teak Capital Sdn Bhd for RM5.5 million, and subsequent subscription of new ordinary shares for RM2.2 million in 2019.

Web Bytes' core expertise in cloud computing and software solutions has enabled technological synergies within GDEX, as the Group expands the capabilities and robustness of its digital platforms to cater to the latest needs of customers in an increasingly digital world.

To date, Web Bytes has been instrumental in the co-development of new digital solutions to the Group's customers and employees, such as myGDEX series, GDEX GO for couriers, GDEX mobile application, open API connectivity, and e-wallet payment.

Despite the outbreak of COVID-19 pandemic and several implementations of Movement Control Orders (MCO) in the past 18 months, Web Bytes was still able to chart a positive growth in its subscription outlets to more than 6,000 units. Additionally, Web Bytes has launched a few pilot projects during the MCO period to adapt to the change in business environment, such as LiveOrder and DaBao.com platforms. Web Bytes also remodified its core system to Xilnex 3.0, which focuses on customer centricity and business intelligence.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

On 19 June 2019, Web Bytes has received a Letter of Award from Malaysia Airports Holdings Berhad (MAHB) for a project to supply POS system to all MAHB airports, with a leasing period of five years beginning 1 January 2020 until 31 December 2024. Unfortunately, air traffic was severely affected by the pandemic and lockdown measures. The expected revenue to be generated from MAHB did not materialise, but the loss of revenue was cushioned by other revenue stream in Web Bytes.

In its financial year ended December 2020, Web Bytes generated revenue of RM15.5 million, representing a growth of 60% from RM9.7 million in FY2019. Its net profit for the same period has also improved from a net loss of RM0.06 million in FY2019 to a profit of RM0.08 million.

For FY2021, Web Bytes continued to grow its revenue by 15% to RM17.9 million and achieved net profit of RM0.46 million, according to its unaudited management account which is anticipated to be completed by the end of April 2022. During FPE2021, Web Bytes contributed RM0.37 million in associate profit to GDEX.

Going forward, Web Bytes is poised for stronger growth, as it banks on its wider range of value-added services and solutions on top of its POS system, general recovery of economy post-pandemic, adoption of scan-order-pay process, as well as recovery of air traffic that will lead to the reopening of retail outlets in Malaysian airports. All these factors are expected to drive the growth of Web Bytes to new heights.

Alp Capital Sdn Bhd ("ACSB")

GDEX is invested in technology and financial solutions provider ACSB, following the subscription of A-Redeemable Convertible Preference Shares (A-RCPS) in ACSB in January 2019, which provided funding for its operations. ACSB is a 90%-owned subsidiary of WBSB, a 10%-owned entity of the founder/Chief Executive Officer.

ACSB was established with a core business in B2B marketplace and supply chain financing services. However, as the business grew and evolved, ACSB strategically positioned itself to offer interesting services, such as facilitating payments. AlphyPay was born and it is currently the main payment gateway for LiveOrder. To date, through collaboration with a local renowned bank, Alphypay is able to accept all forms of online transactions such as FPX, credit card, and e-wallet.

ACSB's numbers are still immaterial at present but the company has been progressing well in its development. The incubation period for ACSB should be coming to fruition soon.

OPERATIONS REVIEW

Malaysia Operations

GDEX operates five hubs across West and East Malaysia, with its Headquarter Hub located in Petaling Jaya, Selangor. The Group has four regional hubs, namely Northern Hub in Penang, Southern Hub in Johor, Kota Kinabalu Hub in Sabah and Kuching Hub in Sarawak.

Furthermore, to cater to the increased business activity and higher deliveries volume, the Group expanded its fleet size to 1,414 vehicles as at end-FPE2021 from 1,331 vehicles as at end-FY2020. Due to the optimization of resources, the Group reduced its workforce to 4,244 employees from 4,308 as at end-FY2020.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

Meanwhile, the Group's ongoing automation initiative, involving the setting up of a new Klang Valley sorting hub in Petaling Jaya, Selangor for RM25 million, is targeted to be operational in end-2022 or early-2023. The new sorting hub will double the Group's total parcel sorting capacity to 350,000 parcels per day upon completion from 175,000 parcels as at end-FPE2021.

The new sorting hub would also feature increased automation, thus enabling improved efficiency, workforce safety and comfort, as well as promote greater customer satisfaction.

Digital Solutions Development

GDEX had in FPE2021 rolled out new digital solutions to cater to latest customer needs and target new growth opportunities.

This included the soft launch of Beeline in March 2021, a social commerce platform and all-in-one order management system for e-commerce businesses, enabling them to build brands, scale online, and expand product distribution. Leveraging on GDEX's technology platform and automation systems, businesses registered on Beeline will be freed from manual processes, and focus on their core activities and competitive strengths.

The Group also rolled out its myGDEX e-commerce integration module, which enables seamless integration of e-commerce stores to the myGDEX platform and delivery services.

CONCLUSION

GDEX has established a firm track record of expansion, both organically and through mergers and acquisitions, towards building a formidable presence, not only in Malaysia but also in key high-growth Southeast Asian countries. The Group will continue to optimise the performance of its investee companies to further reinforce its market position in the region.

Furthermore, the Group has embarked on its GDEX2.0 journey to drive growth in the digital era, which entails transformation to a platform-based ecosystem with multiple business streams across Southeast Asia in the next five years. This will see the Group leverage and strengthen its existing digital platforms, to feature an integrated and expanded range of services across new business sectors, via in-house innovations and strategic mergers and acquisitions.

GDEX 2.0 Vision

The launch of the GDEX Philosophy in February 2020 has set the foundation for GDEX's next phase of growth – GDEX 2.0. The philosophy's core values, management principles, corporate qualities, and ultimate goal, will chart the course of the Group's expansion and enhanced synergies among its entities and business partners. The evolution of GDEX will see the Group transforming to become a technology-driven company with a comprehensive regional logistics ecosystem.


GDEX
1


TRUST
Core Values
Energy
Customer First
Integrity
Teamwork
Innovation
Management Principles
Global Mobility
Scalability
Sustainability
Technology Driven
Corporate Qualities
Cost Effective - People, Process
Reliability - Platform, Product
Speed
GDEX

DIRECTORS' PROFILE

Independent Non-Executive Chairman

Malaysian, Male, aged 61

TAN SRI MUHAMMAD BIN IBRAHIM

Tan Sri Muhammad bin Ibrahim, 61, is an Independent Non-Executive Chairman. He was appointed to the Board on 1 May 2020. Tan Sri was the Governor of the Malaysian Central Bank from 2016 to 2018. His career at the Central Bank spanned over a period of 34 years. He was also the Chairman of the Monetary Policy Committee and Financial Stability Committee. He was active at the regional and international community on issues of central banking, economics and finance. He was a former Commissioner of the Securities Commission of Malaysia and Independent Director of Petronas.

Tan Sri Muhammad holds a Masters Degree from Harvard University and the International Islamic University. He is a member of the Malaysian Institute of Accountants and a Fellow Chartered Banker of Asia Institute of Chartered Bankers.

Managing Director / Group Chief Executive Officer

Malaysian, Male, aged 61

TEONG TECK LEAN

Mr Teong was appointed to the Board on 8 February 2005. He holds a degree in Electrical and Electronics Engineering from the University of Manitoba, Canada in 1983. Mr Teong started his career as an engineer with Texas Instruments 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 and the skills pertinent to managing a service centric business. In 2000, he acquired a controlling stake in GD Express Sdn Bhd. He was instrumental in turning the Group around by putting corporate policies and best practices in place, which cumulated in the listing of GDEX on the MESDAQ Market (currently known as ACE Market) on Bursa Securities in 2005. Currently, Mr Teong is responsible for business development, setting strategic direction and the overall management of the Group as well as overseeing operations of the entire organisation.

Mr Teong is also a director of GDEX Foundation, a company limited by guarantee.

DIRECTORS' PROFILE
cont'd

Executive Director /
Chief Financial Officer

Malaysian, Male, aged 55

LIM CHEE SEONG

Mr Lim was appointed to the Board on 10 April 2015. Mr Lim has a total of more than 25 years working experience in accounting, auditing, taxation, risks management, administrative and human resource management. He started his career as audit assistant with a small-sized accounting firm in 1988 and then joined Messrs. HALS & Associates as Audit Supervisor in 1992 before joining the commercial sector in 1996. He was the Senior Manager, Group Accounts of NV Multi Corporation Berhad (NV Multi) from 1996 to 2005. Upon leaving NV Multi, he assumed various management positions including Finance & Administration Manager in a travel agency company, and Group Finance Manager in trading & manufacturing company. Prior to joining GDEX, he was a General Manager, Finance in Turiya Berhad and Chase Perdana Sdn Bhd. Mr Lim joined GDEX as General Manager, Finance in May 2011 and was promoted as Chief Financial Officer in February 2014 and involved in the strategic planning of the Group. Mr Lim holds a Master's Degree in Business Administration (MBA) from University of Gloucestershire, United Kingdom and he is also the member of the following professional bodies:

- Fellow member of the Association of Chartered Certified Accountants (ACCA), United Kingdom
- Member of Malaysian Institute of Accountants (MIA)
- Member of Malaysian Institute of Certified Public Accountants (MICPA)
- Associate member of Chartered Tax Institute of Malaysia (CTIM)
- Member of the ASEAN Chartered Professional Accountants (ACPA)

He is also a director of GDEX Foundation, a company limited by guarantee.

Executive Director /
Chief Investment Officer

Malaysian, Male, aged 36

LEE KAH HIN

Mr Lee was appointed to the Board on 23 May 2017. He graduated with a Bachelor of Science (Honors) in Statistics from University of Malaya. He is also a CFA (Chartered Financial Analyst) charter holder. Mr Lee started his career in RHB Capital with attachment to Financial Sector Enrichment Programme (FSTEP) as a trainee in 2009. He was then assigned to work in RHB Group Finance department upon completion of the one year training. In 2011, he joined OSK Research as an Equity Analyst to look at the steel sector. Upon the RHBOSK merger, he was assigned to cover logistics, airlines, media, rubber products and steel sector under RHB Research Institute. In 2014, he was ranked No.1 in the Starmine AsiaTop Stock Pickers under the transportation category. He joined GD Express in December 2014 and is involved in strategic planning, business development and investment. He is in-charge of the Group's strategic investments and spearheading regional expansion.

DIRECTORS' PROFILE
cont'd

Independent Non-Executive Director

Malaysian, Female, aged 66

CHUA PUT MOY

Ms Chua Put Moy was appointed to the Board on 1 November 2019. She is currently the Chairperson of the Audit and Risk Management Committee and a member of the Combined Nomination and Remuneration Committee. She is also an Independent Director of Guocoland (Malaysia) Berhad and HPMT Holdings Berhad. She began her career at Ernst & Young in United Kingdom from October 1978 to September 1982 as an Audit Executive, before joining PricewaterhouseCoopers in Malaysia as a Qualified Accountant from October 1982 to July 1983.

Ms Chua graduated with First Class Honours in Computational and Statistical Sciences from University of Liverpool, United Kingdom. She is a member of the Malaysian Institute of Accountants and The Institute of Chartered Accountants in England and Wales.

In August 1983, she joined Genting Berhad as the Group Management Accountant and Head Office Personnel & Administration Manager. She also served as a member of the Remuneration & Compensation Board Committees of Genting Berhad, Resorts World Berhad (now known as Genting Malaysia Berhad) and Asiatic Development Berhad (now known as Genting Plantation Berhad), all of which are part of Genting Group. She left Genting Group in 1993 and took a career break until 1995.

In January 1995, she was appointed as a Regional Project Advisor with Organisation Renewal Inc. Sdn Bhd until September 2002. She subsequently re-joined Genting Group as Senior Vice President of Human Resources and Information Technology of Genting Sanyen Industrial Paper Sdn Bhd. She left Genting Sanyen Industrial Paper Sdn Bhd in June 2004.

She then joined VXL Management Sdn Bhd, an international investment house, from July 2004 to September 2005 as the Executive Director of the Finance, Investment & Human Resources Division.

She joined PricewaterhouseCoopers in Beijing, China in January 2006 as the Associate Director of Tax and Advisory Business Development. She left PricewaterhouseCoopers in September 2009.

From October 2009 to May 2010, she served as the Asia Pacific Human Resources Director at Avery Dennison Hong Kong BV.

She subsequently joined Paramount Corporation Berhad in June 2010 as Special Project Director/Director of Business Services and Group Corporate Planner/ Human Resource Director until July 2013. She was also appointed as the Chief Executive Officer of KDU University College Sdn Bhd in September 2011 until her retirement in July 2013.

DIRECTORS' PROFILE
cont'd

Independent Non-Executive Director

Malaysian, Female, aged 45

LOW NGAI YUEN

Ms Low was appointed to the Board on 1 November 2018. She is currently a member of the Audit and Risk Management Committee as well as the Combined Nomination and Remuneration Committee. She is an independent director of OCK Group Berhad and is also the Group Chief Merchandise and Marketing Officer at AEON Co (M) Berhad.

Ms Low received a Bachelor of Science in Biology and Chemistry from Campbell University, North Carolina, United States of America. She also completed a course in filmmaking at the University of Melbourne, Australia.

A passionate activist, she is the President of the 22 years old Persatuan Kakiseni that champions the arts and its advocacy; and in 2013 founded Pertubuhan Pembangunan Kendiri Wanita Dan Gadis, WOMENgirls; an NGO dedicated to program interventions to remind women as role models to younger girls to achieve their potentials. Additionally, Ms Low is the founding member who then led as the Executive Director from 2016 to 2021 of Global Entrepreneurship Movement Association, GEMA that is about enabling tech transfer, bridging the technology gap to overlooked communities for market access as well as building online resources for cross-border entrepreneurship.

Known to the public as a multiple award-winning content producer, director and TV veteran, in October 2021, Ms Low's acclaimed social film on humanity called Orang Itu was released on Netflix. The film scored a 10/10 from film critic, Tan Sri Johan Jaafar in The Star and is named the top 5 must watch Malaysian films.

In 2021, Ms Low served on the Health and Sciences Covid-19 Advisory Group of Experts (EAG) for community engagement and subsequently for the Greater Klang Valley Special COVID-19 Taskforce (GKV STF). Ms Low is also appointed consecutively from 2019 to sit on the Committee To Culturalise Productivity for Malaysia Productivity Corporation, MPC.

DIRECTORS' PROFILE
cont'd

Non-Independent Non-Executive Director

Japanese, Male, aged 58

HIROSHI ETANI

Mr Hiroshi Etani was appointed to the Board on 1 April 2021.

Started business career at Itochu and worked for various management roles such as Manager at PT. Itochu Indonesia, General Manager at Itochu Logistics Jakarta, General Manager at Itochu Logistics Shanghai and Managing Director at Itochu Logistics Singapore.

Subsequently, worked as Global Customer Director at DHL Global Customer Solutions, Sales, Marketing & Customer Service Director at TNT Express Japan, CEO and President Director at Rakuten Logistics, Director, Executive Officer and Assistant CEO at Mitsui Soko Logistics, then President and Representative Director at CMA CGM Japan.

Joined Yamato group in November 2020 as Director and Managing Executive Officer at Yamato Logistics then moved to Yamato Transport Co., Ltd. as Managing Executive Officer & Head of Global SCM Business Division at Yamato Transport Co., Ltd. in April 2021. Has been working as Senior Managing Executive Officer and Head of Corporate Sales & Global Strategy at Yamato Transport Co., Ltd. since February 2022.

Outside Director at Eco-hai from June 2013 till May 2014.

Non-executive director at Japan Material Flow Institute from June 2016 till February 2018.

- Graduated from Kobe University; Maritime Sciences in 1987
- Received post graduate award at Warwick University; Management and Business in 2011

DIRECTORS' PROFILE
cont'd

Independent
Non-Executive Director

Malaysian, Male, aged 61

DATO' AZMAN BIN MAHMUD

Dato' Azman Bin Mahmud was appointed to the Board on 1 June 2021. An Agricultural Engineering alumnus from University Putra Malaysia, Dato' Azman is the illustrious former Chief Executive Officer ("CEO") of the Malaysian Investment Development Authority ("MIDA") where he served for over three decades with his final years donning the hat of CEO. Having served MIDA since 1989 until his retirement on 1 April 2021, Dato' Azman has held various responsibilities and was also posted overseas for his vast industry know-how. As the CEO, he led MIDA in driving the investment agenda of Malaysia to achieve national investment targets from 2014 till 2021. He also led the transformation of MIDA towards being a world-class Investment Promotion Agency.

Dato' Azman who has held various Board positions, has been a member of various government agencies and special task force related to development of businesses and investments and is known for his collaborative leadership within the corporate ecosystem.

Besides the Independent Non-Executive Director of GDEX Berhad, Dato' Azman also chairs the Board of Directors for the following organisations: Panasonic Malaysia Sdn Bhd, Panasonic Manufacturing Malaysia Bhd, Privasia Technology Bhd, Cnergenz Bhd, UPM Holdings Sdn Bhd, SME Aerospace (SMEA) Sdn Bhd and EXIM Bank of Malaysia Berhad. He also holds various other Board in Kulim Technology Park Corp, in addition to being a member of several organisations related to the development of businesses and investments, such as Invest Sabah Bhd and Penjana Kapital. For Penjana Kapital, Dato' Azman sits on its Investment Panel to offer his guidance and expertise. Early 2022, Dato' Azman also joined the Board of the charitable organisation Akademi Transformasi Asnaf MAIPs Sdn Bhd, which performs functions and duties towards transforming Asnaf for the betterment of all.

Noteworthy, Dato' Azman was recently invited to be an Adviser to the Associated Chinese Chamber of Commerce and Industry of Malaysia or ACCCIM as the association looked up to him for his profound experience and knowledge to guide it to encourage more foreign direct investments into the country.

His past leadership repertoire includes directorship in Malaysia Petroleum Resources Corporation (MPRC), Collaborative Research in Science, Engineering & Technology (CREST) (Chairman), Regional Corridor Development Authority (RECODA) (Director and Member of Audit Committee), InvestKL, Johor Corporation (JCorp), Special Task Force to Facilitate Business (PEMUDAH) (Permanent Member), Cyberjaya Implementation Council (Permanent Member) and Iskandar Regional Development Authority (IRDA) (Member of Approvals and Implementation Committee (AIC)).

Dato' Azman has also attended several leadership and professional development courses from renowned training institutes such as 'A Cutting Edge of Development Thinking', Harvard Kennedy School, John F. Kennedy School of Government, USA; 'Leading Change & Organisation Renewal', Harvard Business School, USA; Strategy Execution Programme, INSEAD France; APAC Government Leadership Programme (AGLP) in Crotonville, New York, USA; and Temasek Foundation International Asia Leader's Connect, Singapore.

DIRECTORS' PROFILE
cont'd

Independent
Non-Executive Director
(Appointed on 1 January 2022)

Malaysian, Female, aged 59

PUAN NURAINI BINTI ISMAIL

Puan Nuraini Binti Ismail was appointed to the Board on 1 January 2022. She is currently the Chairperson of the Combined Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee. She is also an Independent Non-Executive Director of Bank Islam Malaysia Berhad. Puan Nuraini is a Fellow member of the Association of Chartered Certified Accountants (FCCA) with more than 35 years working experience. Her working experience includes in the areas of finance, treasury, corporate finance, debt capital markets, trade finance, banking, financial, credit and trading risks, audit & governance, corporate planning, logistics and operations. Being a Jabatan Perkhidmatan Awam (JPA) scholar, she started her career at the Accountant General Office in 1985 and thereafter joined an audit firm to secure her professional working experience.

Prior to her appointment to the Board of GDEX Berhad, Puan Nuraini was with PETRONAS for 29 years, since 1992 and the last position held prior to her retirement in 2021 was the Vice-President of Treasury. Prior to assuming this role, she had held various senior positions in PETRONAS Group including Senior General Manager, Group Treasury of PETRONAS, General Manager, Finance & Accounts Services and General Manager, Commercial Services of Malaysian International Trading Corporation Sdn Bhd. She was also appointed as a Non-Independent Non-Executive Director of Petronas Dagangan Berhad from 11 November 2011 till 31 May 2021 and a member of Audit Committee from 1 December 2013 till 31 May 2021.

Prior to joining PETRONAS, she had served in various organisations including Bank Bumiputra Malaysia Berhad, Bumiputra Merchant Bankers and Mayban Finance Berhad.

Non-Independent
Non-Executive Director
(Appointed on 11 February 2022)

Singaporean, Male, aged 49

YIK YEN SHAN, VINCENT

Mr Vincent Yik was appointed to the Board on 11 February 2022. He joined SingPost in December 2021 and is the Group Chief Financial Officer, responsible for overall financial matters of the Group, including financial and management reporting, taxation, investment management, risk management, treasury and other corporate matters. Vincent has more than 20 years of Finance related experience and before assuming the current role, he served as Chief Financial Officer ("CFO") at OUE Lippo Healthcare Limited. Prior to that, Vincent also previously held key executive roles, including as CFO of Far East Orchard Limited (a member of Far East Organization), Chief Operating Officer, Australia Properties of Far East Organization, Sydney, as well as CFO, Australia & New Zealand Banking Group, Singapore Branch. Vincent holds a Bachelor of Commerce from the University of Queensland, Australia. Vincent is also a member of CPA Australia as well as the Institute of Singapore Chartered Accountants.

DIRECTORS' PROFILE
cont'd

1. ***Family relationship with Directors and/or Major Shareholders***
   Save for following, none of the Directors have any family relationship with other Directors and/or major shareholders of the Company:

   Mr Teong Teck Lean and his spouse, Madam Wang Herng Tsuey are substantial shareholders and directors of GD Express Holdings (M) Sdn Bhd ("GDEHM") and GD Holdings International Limited ("GDHIL") in which Mr Teong, GDEHM and GDHIL are substantial shareholders of the Company.

2. ***Conflict of Interest***
   None of the Directors have any conflict of interest with the Company.

3. ***Conviction for Offences (other than traffic offences)***
   None of the Directors had any conviction for offences (other than traffic offences, if any) within the past five (5) years or been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial period from 1 July 2020 to 31 December 2021.

4. ***Attendance at Board Meetings***
   Details of the Directors' attendance at the Board Meetings are disclosed in the Corporate Governance Overview Statement on page 58 of this Annual Report.

KEY MANAGEMENT PROFILE

TEONG TECK LEAN

Managing Director/Group Chief Executive Officer
Malaysian, Male, aged 61

Please refer to Directors' Profile on page 24.

LIM CHEE SEONG

Executive Director/Chief Financial Officer
Malaysian, Male, aged 55

Please refer to Directors' Profile on page 25.

LEE KAH HIN

Executive Director/Chief Investment Officer
Malaysian, Male, aged 36

Please refer to Directors' Profile on page 25.

KEY MANAGEMENT PROFILE
cont'd

CHONG HUI CHUEN

Chief Operating Officer
Malaysian, Female, aged 41

Ms Chong graduated with a Bachelor of Engineering (Honors) in Electronic Systems Engineering from Sheffield Hallam University, UK in 2003. She started her career in the semiconductor industry, joining StatsChipPAC (M) Sdn Bhd as Test Engineer in 2004 and then Intersil Services Company Sdn Bhd as Lead Test Engineer in 2007. Ms Chong joined GD Express Sdn Bhd in November 2013 as Advisor, Process Innovation and assumed additional portfolio, Stand In Head for Business Service and Support Group in 2017. Ms Chong is responsible for project management which involves collaboration from different departments and resources, making recommendations and improvements for business processes.

She was appointed Chief Operating Officer on 1 December 2018. She is responsible for the effective, efficient planning and coordination of the Courier Operations, Logistics Operations, Hub Operations, Linehaul Operations, Fleet Division, Business Service and Support Group and the Process Innovation Division.

TEOH CHO MIN

Chief Strategy Officer
Malaysian, Male, aged 47

John Teoh joined GDEX in July 2019 in the Strategy & Business, Advisory Division. He assists the Managing Director/Group Chief Executive Officer ("MD/GCEO") in strategic planning and business performance of the group to accomplish the group's overall objectives. He communicates, develops, executes and sustains strategic initiatives in collaboration with the MD/GCEO and other executive-level leaders of the group. Prior to joining GDEX, he was a Senior Fund Manager at Eastspring Investments Bhd, managing RM2.0bn of insurance funds. John has been in the research analysis and fund management for 18 years with experience in the unit trust and insurance industries. He started his fund management career as a research analyst at TA Asset Management in 2001, and later moved on to become a fund manager at Alliance Investment Management and Hong Leong Assurance. John graduated with a Bachelor of Economics (Hons) Degree from the University of Malaya in 1999.

He was promoted to the position of Chief Strategy Officer on 1 October 2021. He is responsible to assist the MD/GCEO in setting and driving organization vision, mission and Group strategies as well as developing the Group's strategic plan in line with the direction set by the MD/GCEO and Board of Directors.

GDEX
Go Green

Logistics and last mile delivery players have an important role to play in reducing carbon emissions, by making the effort to explore and adopt more green solutions in daily operations. The Group's launch of the first electric vehicle in its fleet marks the beginning of GDEX's Go Green initiatives. In November 2021, the GDEX all-electric motorcycle was unveiled. Electric motorcycles are cost-effective in the long run, given that it only costs less than RM1 for a full charge and can travel up to 100km per charge cycle. Maintenance of the electric motorcycle is also minimal, compared to a conventional motorcycle.

The second GDEX Go Green initiative is the installation of a solar photovoltaic system at the Group's headquarters in Petaling Jaya. This renewable source of energy reduces the electricity cost of the Company. The system is expected to be commissioned in 2022 and the Group will also benefit from tax incentives as a result of this project.

CORPORATE SUSTAINABILITY REPORT 2021

EMBARKING ON A SUSTAINABILITY JOURNEY

The capital market's push for sustainability today is building up, with corporations being assessed thoroughly for their involvement in environmental, social, and governance (ESG) matters, instead of the previously adopted exclusionary screening approach. ESG is now a component in the financial analysis of a company. In response to this, listed companies in Malaysia are making the effort to enhance their sustainability practices.

The importance of sustainability has been stressed over the years and today it is no longer about creating awareness on sustainability, but how sustainability is interwoven in every action of a responsible corporate citizen. GDEX Berhad is aware of its duty as a responsible last mile delivery and logistics player to prioritise the sustainable approach in its actions, after considering the implications from a cost-benefit perspective.

In this year's corporate sustainability report, GDEX takes another step forward in its sustainability journey. The Group identified its material matters that are ranked according to the Materiality Matrix and aligned them to the United Nations' Sustainable Development Goals.

CORPORATE SUSTAINABILITY REPORT
cont'd

GDEX Berhad's Corporate Sustainability Report outlines the measures we undertake to instil sustainable practices across our operations.

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Group's sustainability pursuits are aligned to the Sustainable Development Goals ("SDGs") adopted by the United Nations (UN), which are part of the UN Member States 2030 Agenda for Sustainable Development.

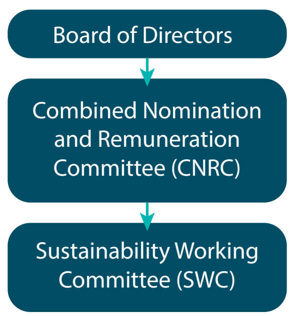
Out of the 17 UN SDGs, the Group identified seven SDGs that are relevant to the nature of our businesses and are supporting the global sustainability agenda through:

- Contributing towards socio-economic growth by applying technology solutions to enhance express deliveries and courier services (SDG 8, 9)
- Adopting environmentally friendly solutions in our operations to address global climate change risks (SDG 12, 13)
- Promoting ethical conduct, employee welfare, diversity, and a rewarding working experience (SDG 10, 11, 16)

GOVERNANCE STRUCTURE

GDEX's sustainability governance structure aims to bring accountability in the implementation of sustainability commitments across our operations.

The Group's Board of Directors ("Board") provides strategic direction in our sustainability commitments, taking into consideration the three key pillars of sustainability: Economic, Environmental, and Social ("EES"). Meanwhile, the Combined Nomination and Remuneration Committee ("CNRC"), reporting to the Board, oversees and reviews integration of sustainability principles and polices, practices, and goals in the Group's business strategy and decision making. The CNRC comprises Board representatives who are independent and non-executive directors of the Group.



CORPORATE SUSTAINABILITY REPORT
cont'd

Furthermore, the Sustainability Working Committee ("SWC"), which reports to the CNRC, is assigned to plan, coordinate, and implement identified sustainability initiatives. Members of the SWC comprise key management and sustainability representatives of various business divisions.

STAKEHOLDER ENGAGEMENT

The Group engages with various stakeholders to understand their needs, and garner valuable insights to support the formulation of sound business strategies beneficial to our stakeholders and the success of our Group.

The material issues identified for each stakeholder, as well as the method and frequency of engagement, are outlined below:

Stakeholder	Material Issues	Engagement	Frequency
Employees	• Employee welfare • Safety, health, and security • Equal opportunity • Career development	• Training programmes • Educational programmes • Awareness campaign	• Monthly/As needed
		• Safety inspections	• Monthly
		• Survey	• As needed
Customers	• Service Satisfaction • Innovative offerings • Security Protection	• Customer Survey • Feedback on GDEX Website, Facebook & Twitter • Call Centre • Customer Care Centre (CCC) • Point of Presence (POP) Outlets • Refresh Through Campaign/ Promotion • Events sponsorship (MIA conference, festive customer appreciation)	• Daily/As needed
Suppliers, Vendors & Business Partners	• Competitive pricing • Reliability	• Supplier Quotation • Supplier Evaluation • Integrators Collaboration • External audit exercise • Legal documents drafting and vetting • Financial matters	• Annual/As needed
Government Agencies & Regulators	• Corporate governance • Regulatory compliance • Licensing • Certifications	• Audits • Site visits • Visitations • Seminars and training	• Monthly/As needed

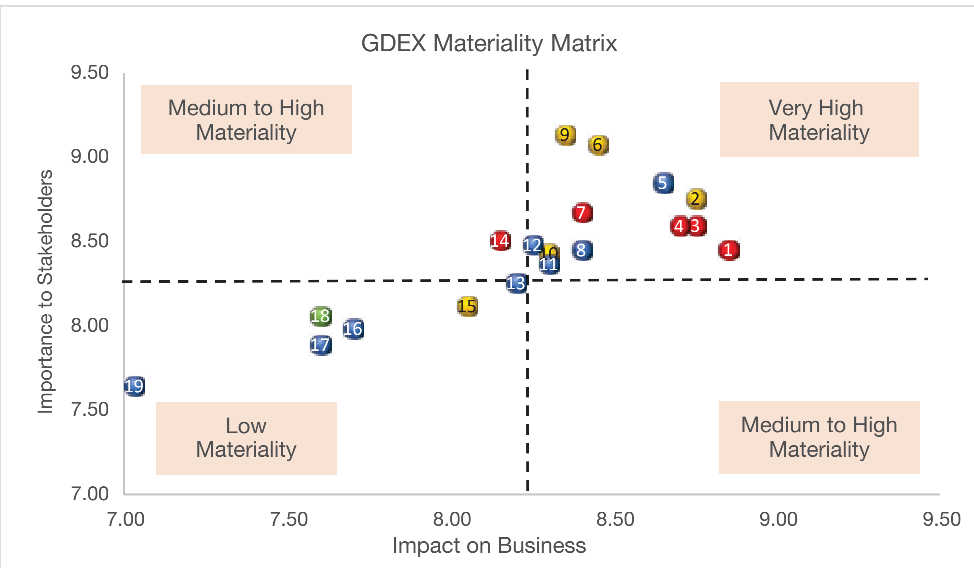
CORPORATE SUSTAINABILITY REPORT
cont'd

Stakeholder	Material Issues	Engagement	Frequency
Local Communities	• Community support and development • Employment opportunities	• Community events • Charity • Internship programme	• Quarterly/As needed
Shareholders	• Corporate governance • Financial performance • Growth plans	• Annual Report • Annual General Meeting	• Annual
		• Analyst briefing and roadshows	• Quarterly/As needed
		• Investor relations website • Press release • Media interviews • Announcements to Bursa Malaysia	• As needed

MATERIALITY ASSESSMENT

The Group identified 19 material issues that are categorised under the EES pillars.

Sustainability Materiality Matrix



CORPORATE SUSTAINABILITY REPORT
cont'd

Economic

- 1 Company Financial Performance
- 3 Operational Excellence
- 4 Business Continuity Plan
- 7 Digitalization and Technology
- 14 Innovation

Social

- 5 Customer Experience & Satisfaction
- 8 Company Culture and Philosophy
- 11 Occupational Health and Safety
- 12 Employee Well-Being/Benefits
- 13 Talent Development and Retention
- 16 Socially Responsible Products & Services
- 17 Employee Engagement
- 19 CSR Activities

Governance

- 2 Regulatory Compliance
- 6 Anti-Bribery & Corruption
- 9 Data Security & Privacy
- 10 Corporate Governance
- 15 Risk Management and Internal Audit

Environment

- 18 Environmental Initiatives

ALIGNMENT TO SDGs

No.	Material Sustainability Matters	Relevant Stakeholders	Relevant SDGs
		ECONOMIC	
1	Financial Performance	Employees, Shareholders	8 DECENT WORK AND ECONOMIC GROWTH
2	Operational Excellence	Employees	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
3	Business Continuity Plan	Employees, Suppliers, Vendors, Business Partners	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
4	Digitalization and Technology	Employees, Customers	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
5	Innovation	Employees, Customers	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
6	Risk management	Employees, Business Partners	8 DECENT WORK AND ECONOMIC GROWTH

CORPORATE SUSTAINABILITY REPORT
cont'd

No.	Material Sustainability Matters	Relevant Stakeholders	Relevant SDGs
		ENVIRONMENT	
7	Environmental Initiatives	Regulators, Community	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
		SOCIAL	
8	Customer Experience and Satisfaction	Customers	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
9	Company Culture and Philosophy	Employees	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 10 REDUCED INEQUALITIES
10	Occupational Health and Safety	Employees	8 DECENT WORK AND ECONOMIC GROWTH
11	Employee Well Being and Benefits	Employees	10 REDUCED INEQUALITIES
12	Talent Development and Retention	Employees	8 DECENT WORK AND ECONOMIC GROWTH
13	CSR Program	Community	11 SUSTAINABLE CITIES AND COMMUNITIES
14	Employee Engagement	Employees	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
15	Socially responsible products & services	Customers	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

CORPORATE SUSTAINABILITY REPORT
cont'd

No.	Material Sustainability Matters	Relevant Stakeholders	Relevant SDGs
		GOVERNANCE	
16	Regulatory Compliance	Regulators	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
17	Anti-Bribery and Corruption	Employees, Suppliers, Vendors, Business Partners	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
18	Data Security and Privacy	Employees, Customers	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
19	Corporate Governance	Regulators	10 REDUCED INEQUALITIES

ECONOMIC

Economic Performance

GDEX's aspirations in providing our express delivery services to the community and businesses go beyond facilitating movement of goods. We adopt a holistic approach in bringing positive impact, where we are the connector of people, bringing to life the aspirations and ideas of communities, and enabling livelihoods.

Therefore, in fulfilling our role as a responsible corporate citizen, we are committed to achieving sustainable business growth, generating better returns for our shareholders, as well as creating more employment opportunities for the community. Our pursuits are firmly anchored in good governance practices, which serve as the backbone of a financially sound company.

Today, our customers are demanding more comprehensive logistics and warehousing services, to support their business growth and cater to the increasing digitalisation and use of technology in their operations.

In response, we continuously enhance the comprehensiveness of our solutions and services, as well as expand business segments such as Business-to-Business deliveries, international businesses, and warehouse fulfilment services.

On our financial performance, the Group achieved revenue of RM636.9 million and PATMI of RM41.5 million in FPE2021, generated by our regional businesses spanning Malaysia, Singapore, and Vietnam. In FY2020, the Group recorded revenue of RM364.0 million and PATMI of RM18.5 million.

CORPORATE SUSTAINABILITY REPORT
cont'd

We continue to prioritise a sustainable business model, in alignment to the goals of our stakeholders, and towards generating greater long-term value for all. Furthermore, we are driven to understand and adopt latest technology across our operations, which will enhance our solutions offered to the community.

Operational Excellence

As our customers expect timely deliveries and quality services, we strive to uphold operational excellence and ensure utmost reliability and uptime.

In this regard, the Group undertakes regular review of our operating processes in line with our Quality Policy, which comprises stringent operational Key Performance Indicators. We also undertake a Quality Management Review to optimise strategies and narrow gaps to improve efficiency.

Additionally, we invest in automation across the organisation. Our upcoming new fully automated sorting hub in Petaling Jaya, Selangor, expected to be operational in end-2022 or early-2023, will result in increased automation that improves efficiency, workforce safety and comfort, as well as promotes greater customer satisfaction.

Furthermore, the Group conducts regular review of its organisation-wide Business Continuity Plan. This is in line with our efforts towards establishing a comprehensive framework for maintaining high levels of operational uptime and service reliability.

Digitalisation and Technology

In the era of digitalisation, we are developing digital technologies and platforms that cater to latest customer demands and enhance our industry competitiveness.

The Group's digital initiatives in the past four years include myGDEX and myGDEX Prime. myGDEX is an online shipping platform to enhance customer delivery experience and provide a user friendly and hassle-free process. myGDEX Prime enables customers to print their own airway bills in the comfort of their homes or offices. These initiatives helped reduced RM1.14 million of paper wastage and carbonised printing costs.

In March 2021, we launched Beeline, which leverages on our technology platforms and automation systems. Beeline extends our services to include social commerce platform and all-in-one order management system for e-commerce businesses.

Furthermore, our customers are increasingly shifting towards a cashless market environment. The Group offers convenient and seamless online payments and e-wallet solutions, which are integrated to our websites and mobile applications. The wide range of third-party merchants and payment providers we work with include Touch 'n Go, Boost, Grabpay, ShopeePay, among others.

The Group's services and product offerings are seamlessly integrated to its various online platforms, and customers can gain access via the GDEX website, myGDEX portal, our Facebook page or Twitter channel, as well as mobile applications.

CORPORATE SUSTAINABILITY REPORT
cont'd

Supply Chain Management

The Group adopts comprehensive procurement policies and practices for a reliable supply chain. This is crucial to maintain timely deliveries and quality services, as well as effective cost controls and adherence to ethical standards.

We enforce strict criteria in the evaluation and selection of suppliers, vendors, agents, contractors, and business partners. Stringent requirements are imposed, such as compliance with ISO Certification quality standards, GDEX Vendors' Code of Conduct, and GDEX Group Anti-Bribery and Corruption Policy. We also conduct an annual supplier evaluation exercise to ensure suppliers and vendors meet our quality standards.

ENVIRONMENT

Environmental Compliance and Management

The Group recognizes the importance to preserve environmental health to safeguard the communities around us. We continuously identify areas where we can contribute to the alleviation of climate change risks, which may impact the Group's business and operations in the long run if left neglected.

We are in the process of establishing time-specific targets to reduce our greenhouse gas emissions as well as pollution and waste. This will include increasing the disclosure of our emissions and waste produced, and employing accurate measurements to ensure veracity of the data collection process.

The Group strives to strengthen our environmental policies and practices, especially in waste disposal and carbon emissions, as well as continuously seek to enhance the integration of ISO 14001:2015 Environmental Management System (EMS) with ISO 9001:2015 Quality Management System (QMS) across our operations.

Our EMS and QMS are verified by an independent party, Intertek Certification International Sdn Bhd, on a yearly basis. The ISO 14001:2015 certification covers 90% of the sites of the Group's operating subsidiaries in Malaysia.

The Group also complies with the Environmental Quality (Scheduled Wastes) Regulation 2005. We have a purpose-built waste disposal shed which enables the storage and systematic disposal of petroleum and lubricant wastes in accordance with a scheduled waste disposal programme.

In FPE2021, the Group's oil waste disposal amounted to 37.32 mt3. Meanwhile in FY2020 and FY2019, the total oil waste disposed was 33.93 mt3 and 58.02 mt3, respectively. The annualised average waste disposed registered a declining trend, reflecting our commitment to responsible consumption and waste reduction to limit adverse impact on the environment.

CORPORATE SUSTAINABILITY REPORT
cont'd

In FPE2021, there were no environmental incidents, fine, or penalty faced by the Group. We will continue to review and enhance our environmental compliance and management practices to safeguard environmental health.

Energy Consumption and Management

We recognise that the conservation of energy and energy efficiency must be prioritised, to mitigate the impact of global warming and climate change. We strive to reduce our carbon emissions and use of fossil fuels across our operations.

As our machineries and vehicles depend on diesel, their maintenance and upkeep are important to ensure energy efficiency. We thus have our own GDEX motor vehicle workshop, manned by experienced and skilled staff responsible for repairing and servicing our 1,414 trucks and vehicles.

The Group has a vehicle replacement programme for older one-tonne and three-tonne trucks with lighter and more fuel-efficient vans that are suited to city driving, thus reducing fuel usage and carbon emissions. In FPE2021, we purchased 103 new trucks to expand our fleet size. For the long-haul sector, we also used more 40-foot container trucks that are fuel-efficient, require less servicing, and able to carry four times the load of the smaller trucks.

Additionally, the Group will explore greener alternatives such as biodiesel and hybrid vehicles to minimize fuel usage and carbon emissions.

In November 2021, we introduced our first all-electric motorcycles, which enables green deliveries in the urban setting. This will contribute to reduced carbon emissions, while preserving urban air quality for the benefit of communities.

Furthermore, the Group is committed to Reduce, Reuse, and Recycle (3R) initiatives in our consumption of electricity, fuel, and stationery. We encourage employees to use energy and other crucial resources conservatively, towards inculcating a culture of responsible consumption in support of environmental conservation.

Every month, old documents are collected from GDEX's headquarters and branches, to be sent to a third-party recycler for recycling. In FPE2021, the Group recycled a total of 59,743 kilogrammes of paper.

We constantly remind employees to switch off all electrical appliances when not in use. Truck drivers are trained to switch off engines to reduce idling and conserve fuel while making delivery rounds. Employees are also encouraged to go online for submission of reports and correspondence to minimise paper usage.

In addition, we are in the process of converting conventional lighting at GDEX properties and facilities to LED lightbulbs, which will lead to lower energy consumption and heat produced.

CORPORATE SUSTAINABILITY REPORT
cont'd

The Group's electricity consumption amounted to 2,616,811 kilowatt-hour (kWh) for the 18 months of FPE2021. The electricity consumption in FY2020 was 1,817,545 kWh compared to 1,713,052 kWh in FY2019.

FY2019	1,713,052kWh
FY2020	1,817,545kWh
FPE2021*	**2,616,811kWh**

*18-month

To enhance our energy efficiency, the Group initiated the planning of a solar rooftop photovoltaic system at our premises, which is expected to be commissioned in March 2022. This represents our initial steps towards using renewable energy, and we will work towards increased adoption of similar green solutions in future.

SOCIAL

Happy Customer Project

We recognize the importance of customer satisfaction to the success of our business, and continuously identify opportunities to deliver the highest service quality.

Additionally, we continue to expand our physical presence to bring greater convenience. In FPE2021, we introduced more neighbourhood GDEX POP (Point of Presence) outlets, located in diverse retail stores such as stationery shops, dry-cleaning centres, and sundry shops. With the increased number of GDEX POP, our customer access points, including branches and agents, have increased threefold from 450 outlets in FY2020.

For a better retail experience, we undertook facelift of our outlets in FPE2021, which received new and modern designs that are more aesthetically pleasing.

Company Culture and Philosophy

As we work towards building a more resilient organisation, we seek to form a strong bedrock of cultural excellence to drive the Group forward. This is guided by the principles of the GDEX Philosophy, which was launched in 2020, with new core values, management principles, corporate qualities, and an ultimate goal. The corporate qualities are defined as 4P's and 1S, namely People, Process, Platform, Product, and Speed.

In FPE2021, we continued to organise a series of awareness programmes to bring greater understanding and awareness of the new philosophy, towards incorporating its elements across the Group's culture and work processes.

Ocupational Safety, Health, and Security

4,244

The 4,244-strong employees of GDEX are like family, and the management takes great effort to create a conducive workplace that looks after the welfare, health, and safety aspects of our employees. Our Safety policy covers employees, contractors, customers, and external shareholders. To ensure policies on these areas are not compromised, several oversight committees were established.

CORPORATE SUSTAINABILITY REPORT
cont'd

As our operations involve the significant use of vehicles and machinery, there may be risks of accidents and injuries. To prevent safety incidents, the Group has adopted comprehensive safety policies to protect our employees, contractors, customers, and external stakeholders.

In this regard, the Group's Safety and Health committee oversees the implementation and adherence of relevant policies. In the event of any accident/incidents, an investigation will be carried out to determine the root cause, and control measures will be proposed to prevent future recurrences.

For all existing and new operations, which entail new branch opening, relocation, and expansion, the Network Committee works closely with the Safety and Health Committee. Of particular importance, the committees emphasize risk assessment on safety and health and labour issues. This is consistent with the Branch Set-Up Flow as documented under ISO. The Group carries out regular safety awareness and training activities such as fire drills, defensive driving competitions, and training initiatives to enhance the skills of its drivers.

In FPE2021, we implemented various safety and health training programmes to maintain high levels of awareness. During the year, we had 85 staff trained on safety and 4,030 staff trained on general training which includes safety.

Training

The Group's online training programme provides valuable training guides and is regularly updated to reflect the latest teaching and learning techniques. It enables our training outreach to all parts of the Peninsular and East Malaysia. The training programme provided 41,867 training hours, an average of 8 hours per employee, or an average of 1.1 days per employee.

In addition to training programmes, various measures have been put in place to reduce workplace accidents, including use of safety lanes, highly visible hazard labels and signs, and signs for proper handling procedures.

To implement practices and play our part in maintaining road safety for the community, we regularly liaise with relevant authorities such as JPJ, Department of Occupational Safety and Health (DOSH), Malaysian Institute of Road Safety Research (MIROS), and Traffic Police Division in matters concerning road safety activities. We hold an annual road safety competition endorsed by JPJ, DOSH, MIROS, and the Traffic Police Division.

In FPE2021, we recorded 20 workplace incidents, while in FY2020, there were 18 cases. The Lost Time Incident Rate was 1.88 in FPE2021, 1.23 in FY2020, and 3.0 in FY2019. Lost Time Incident is defined as an injury sustained on the job by an employee that results in the loss of productive work time. Based on the OSHA 1994 Act, the Lost Time Incident Rate covers both employees and contractors. The Group is committed to reduce the number of cases in every area, aligned to the Department of Occupational Safety and Health (DOSH) "Vision Zero Campaign", where the number of cases is reduced until it reaches zero.

Lost Time Incident Rate
(Per one million man hours)

FPE2021	FY2020	FY2019
1.88	1.23	3.0

The Group is also committed to maintaining a workplace that is free from theft, violence, harassment, intimidation, and unsafe and disruptive behaviour. Across our operations, security cameras are placed in strategic locations to ensure employees safety, and we hire a 24-hour security services provider to safeguard our premises. There were 12 theft cases reported in FPE2021, while FY2020 saw 21 cases.

CORPORATE SUSTAINABILITY REPORT
cont'd

Additionally, with the advent of the COVID-19 pandemic, the Group has implemented health and safety procedures to protect our employees and stakeholders. Some of the prevention and mitigation measures for operations and the workplace includes increased ventilation, sanitisers, physical distancing, team rotation, and wearing of face masks.

Employee Well Being and Benefits

GDEX strives to ensure that our people are fairly rewarded for their contribution to the Group, through providing competitive remuneration aimed at retaining and incentivising valuable talent. We conducted the GDEX Care Survey in 2021, which seeks to better understand the needs and expectations of all GDEX employees. The survey included remuneration scheme, employee benefits, and career advancement opportunities, in order to identify areas of improvements in the coming years.

In addition, the Group embraces the values of the International Human Rights Pillars, "Protect, Respect and Remedy". We prioritise equality among human beings, respect their effort and energy, and protect workers' right and welfare. These principles are cascaded, shared, and disclosed in our Employee Handbook. In our hiring policy, only adults aged 18 years old are hired in line with international efforts to prevent child or forced labour.

All policies and practices within the Group are aligned with the Employment Act 1955, government guidelines, as well as the national minimum wage policy.

GDEX strives to enhance the work-life balance of employees, via comprehensive scheduling that prevents excessive working hours which may affect the employee's health, family time, and productivity.

Furthermore, the Group is committed to diversity in the workplace, and ensures equal opportunities for all groups, irrespective of nationality, race, religion, gender, sexual orientation or age.

Employees that face any form of discrimination and unwelcome workplace incidences are encouraged to report their grouses to the management without fear of favour or prejudice. All reports are deemed important, and a formal investigation will be undertaken in confidentiality.

In addition, the Group is supportive of the underprivileged, people with disabilities, and those without formal education by providing job and training opportunities.

As at FPE2021, out of our 4,244 employees, employees with disabilities in our Malaysia and Singapore operations registered at 0.05% of our workforce count, while another 1.27% are employed under contract or as temporary staff.

CORPORATE SUSTAINABILITY REPORT
cont'd

Talent Development and Retention

GDEX strives to promote the professional development and growth of our employees. Our efforts will not only play a crucial role in enriching the lives of our employees and their families, but also contribute towards the success of our business.

The management works closely with Pembangunan Sumber Manusia Berhad (PSMB) certified trainers to plan structured training and education programmes for all employees.

These initiatives are aimed at enabling our employees to keep abreast of latest industry practices and enhance their skillset in support of their professional growth.

GDEX was also among the first express delivery companies in Malaysia to set up its own academy, GDEX Academy, which provides school leavers with industrial training, leading to a professional certificate in logistics and express delivery.

The academy's education programmes are delivered in collaboration with the Department of Skills Development of the Human Resources Ministry, and adheres to the National Occupational Skill Standard of Courier Operations Service Syllabus.

Additionally, the Group provides regular training for all employees on important workplace topics, such as Human Resources procedures, Anti-Bribery Management System, Whistleblowing Policy, Sexual Harassment, Health, and Safety Operational Procedures. This initiative is aimed at supporting greater employee welfare and nurturing a supportive work environment.

Furthermore, the Group also facilitates an avenue for staff interaction which is deemed a vital part of training and workforce development. GDEX organises a network conference annually where executives from the supervisory level onwards across the country share their experiences, and exchange views on the Group's plans and directions. The conference also enables bonding and forming of closer relationships among employees. However, the conference did not take place during the financial period due to MCO and travel restrictions.

The Group also holds annual events, such as annual dinners, long service award ceremonies, and festive gatherings to appreciate and recognize the efforts of our people, as well as foster a family spirit and a sense of belonging. While many of these activities have not been carried out in FPE2021 due to the COVID-19 pandemic situation, the Group will strive to gradually recommence these activities in the next year, after careful assessment of safety and health considerations.

CORPORATE SUSTAINABILITY REPORT
cont'd

Community Development

On community participation, the Group commits to a domestic workforce where 98.13% of employees are local. The Group also aims to create a positive relationship with the local community. The Group's comprehensive networks can provide direct employment opportunities and help to build local skills and expertise. The local community is also encouraged to join the GDEX enterprise development programme through G-Partner and crowdsourcing programme known as KITA. This strategic collaboration aims to strengthen the local economy by promoting entrepreneurship and supporting the young entrepreneur who will later contribute to the local business development and job creation.

GDEX community-based activities strive to provide relief and support to those in need. The Group continues to invest in the community by extending myGDEX Prihatin to Malaysians, which offers special courier service delivery rates. This initiative was offered under Prihatin Rakyat Economic Stimulus Package to support e-commerce entrepreneurs during the pandemic.

Corporate Social Responsibility

GDEX strives to enrich the lives of the communities around us, and we undertake corporate social responsibility and humanitarian programmes to give back and to be of service.

In January 2021, the Group collaborated as the official logistics partner in Malaysia's Sin Chew newspaper and Singapore's Zaobao newspaper gift exchange campaign during the Chinese New Year. Through this campaign, families who are apart due to the pandemic are able to send their love via gifts delivered by GDEX.

To support the efforts of the Government's National Immunisation Programme, we donated Personal Protective Equipment and light refreshments to vaccination centres (PPV) in the Klang Valley in FPE2021.

Then in July 2021, a mobile vaccination kiosk sponsored by the Group was set up at the GDEX Cheras branch, benefitting 500 GDEX employees.

Additionally, the Group had set up Kotak Prihatin program in August 2021, which saw the distribution of 2,000 care boxes of food supplies to families in need across Malaysia.

GDEX also assisted Kechara Soup Kitchen and MRCB as the logistics partner to deliver 150 sets of food aid to Penang during a Food Mission in September 2021.

CORPORATE SUSTAINABILITY REPORT
cont'd

Meanwhile, communities in the Klang Valley were badly hit by floods following torrential rains in December 2021. The Group had contributed financially to GDEX employees who were affected by the flood.

The Group also holds annual visits to orphanages, handicapped homes, and the Orang Asli community, especially during the festive season, to bring cheer to the community, as well as provide foodstuff, toys, and educational items to disadvantaged children. However, these physical activities were not conducted in FPE2021 due to the COVID-19 pandemic to prevent the spread of the virus.

In addition to CSR activities, the Group is also committed to youth development via its GDEX Internship Programme. The programme aims to provide learning opportunities and employment opportunities to students and fresh graduates, and to develop useful professional and leadership skills. The Group's internship programme is available in selected GDEX branches throughout the country.

During the financial period, there was no contribution/donation made to any political parties or non-profit organisations.

GOVERNANCE

Regulatory Compliance

The Group adheres to latest regulations and guidelines from various authorities and regulatory bodies, to ensure compliance to relevant local laws and standards. The key organisations we engage with include the Malaysian Communications and Multimedia Commission (MCMC), Department of Environment, Road Transport Department, Securities Commission, and Bursa Malaysia Securities Berhad.

Corporate Governance

The Group recognizes that maintaining good corporate governance is essential to enhance the long-term growth and corporate value of the Company, as well as delivering sustainable growth in the interests of its stakeholders.

We ensure that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance (MCCG) are practiced through the Group. The Group's Corporate Governance Report is available on our corporate website at *www.gdexpress.com*.

We implement measures to enhance our corporate governance standards, in accordance to best practices stipulated in the Minority Shareholder Watchdog Group (MSWG) Corporate Governance Scorecard, FTSE4 Good Bursa Malaysia Index, Bursa Malaysia Corporate Governance Guide.

CORPORATE SUSTAINABILITY REPORT
cont'd

Anti-Bribery and Anti-Corruption

The Group is committed to high standards of ethical conduct, integrity, and accountability in our business activities, and takes a zero-tolerance stance against bribery and corruption.

The Board has adopted Anti-Bribery and Corruption Policy Statement and No Gift Policy, in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad effective 1 June 2020. These policies are applicable to all Directors and employees, suppliers, vendors, and business partners.

Furthermore, the Group had been certified by Sirim QAS International Sdn Bhd on 3 August 2021 to be compliant with the ISO 37001:2016 Anti-Bribery Management System.

The Group Anti-Bribery and Corruption Policy Statement, Whistleblowing Policy and Procedures, and No Gift Policy, are available on our corporate website at *www.gdexpress.com*.

There was no case occurred on dismissal due to non-compliance on anti-corruption policy and no fines and penalties imposed concerning anti-corruption in FPE2021.

Data Security and Privacy

GDEX is cognizant of increasing cybersecurity threats in the digital era and has in place adequate systems to ensure data confidentiality, integrity, as well as disaster prevention and recovery capabilities. We are committed to data protection and privacy requirements to safeguard our customers' sensitive information.

The Group is working towards being certified to ISO 27001 standard for Information Security Management Systems (ISMS).

CONCLUSION

GDEX's sustainability measures are aimed at instilling responsible business practices that go beyond maximizing shareholders' profit. We will continuously enhance our initiatives towards reinforcing our business sustainability and performance, while bringing greater social good that translate into enhanced value for our stakeholders.

AWARDS AND CERTIFICATION

RECOGNITION FOR A JOB WELL-DONE

GDEX's efforts for operational, workplace, product and industrial excellence over the years have been acknowledged and recognized by industry specialists and various statutory bodies. The following are some of the recognition awards and certifications of the Group as it strives to be the leading express carrier in the Asean region.

AWARDS AND ACHIEVEMENTS

2019 Frost & Sullivan Asia-Pacific Best Practices Awards	2019 Malaysia Express Logistics Service Customer Value Leadership Award
2018 E-Commerce Delivery Awards (MCMC)	Best Innovation Award – GDEX GO
2018 Frost & Sullivan	Malaysia Express Service Provider of the Year – Private Sector
2018 MCMC Campaign #SampaiDenganSelamat	Champion – Warcry Competition 2nd Place – Rider Category
2016 Frost & Sullivan	Malaysia Domestic Express Services Provider of the Year
2016 Certificate of Appreciation (EPF)	Compliance with EPF 1991 Act, Selangor
2016 E-Commerce Delivery Awards (MCMC)	Operational Excellence Award – Top 5 Delivery Performance
2016 E-Commerce Delivery Awards (MCMC)	Road Safety Excellence Award – Top 3 Companies
2015 Frost & Sullivan Malaysia Excellence Awards	Malaysia Excellence in Growth – Domestic Express Services
2015 Forbes Asia Malaysia Excellence Awards	Best Under A Billion Award – Private Sector

AWARDS AND CERTIFICATION
cont'd

AWARDS AND ACHIEVEMENTS

• 2015 Certificate of Appreciation (MCMC)	• Driver and Rider Championship Award #SampaiDenganSelamat Postal and Courier Industry
• 2015 Certificate of Recognition (EPF)	• Best Employer 2015 EPF Petaling Jaya
• 2014 Driver and Rider Championship Award Postal and Courier Industry (MCMC)	• Overall Championship
• 2014 Frost & Sullivan Malaysia Excellence Awards	• Domestic Express Service Provider of the Year – Private Sector
• 2013 Frost & Sullivan Malaysia Excellence Awards	• Domestic Express Service Provider of the Year – Private Sector

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the "Board") of GDEX Berhad (the "Company") operates according to the governance framework and collectively responsible for good corporate governance of the Company under the Companies Act 2016, Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the relevant laws and regulations for the financial period 2021. The Board acknowledges that maintaining a good corporate governance is essential to enhance the long-term growth and corporate value of the Company as well as delivering sustainable growth in the interests of all its shareholders and other stakeholders. Accordingly, it is the Board's responsibility to ensure that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance (the "MCCG") are observed and practised throughout the Company and its subsidiaries (the "Group").

This Corporate Governance Overview Statement (the "Statement") has been prepared in accordance with paragraph 15.25(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and it provides an overview of the application of the three (3) key principles set out in the MCCG. The Board believes that this new code of corporate governance will ensure the highest standards of transparency, integrity and accountability in all the Group's businesses. This Statement should be read together with the Corporate Governance Report which can be found on the Company's website at *www.gdexpress.com*.

This Statement describes how the Group has applied the corporate governance practices of the MCCG during the 18 months financial period from 1 July 2020 to 31 December 2021.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Board Charter

The Board had formalised a Board Charter, which the primary objective of the Board Charter is to set out the roles and responsibilities of the Board, the division of authority and responsibilities of the Board and Management, terms of reference and composition of Board Committees, and other administrative policies and procedures in relation to the operation of the Board as a whole.

The Board Charter has been reviewed to ensure it remains consistent with the Board's objective and responsibilities, and all the relevant standards of corporate governance.

The Board Charter can be found from the Company's website at *www.gdexpress.com*.

II. Roles and Responsibilities

The positions of Chairman and Managing Director/Group Chief Executive Officer are held by different individuals to ensure an appropriate balance of power and sufficient attention is given in carrying out their roles effectively.

There is a clear division of roles and responsibilities between the Chairman and the Managing Director/Group Chief Executive Officer. The Company is headed by an Independent Non-Executive Chairman who is responsible for leading the Board as well as ensuring its effectiveness in all aspects of its role. The Chairman encourages active and effective engagement, participation and contribution from all Directors and facilitates constructive relations between Board and Management. The Chairman also ensures that the meeting is conducted efficiently and that appropriate time is given to the most important issues.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. Roles and Responsibilities *cont'd*

As stipulated in the Board Charter, the Managing Director/Group Chief Executive Officer has overall executive responsibilities for the day-to-day business operations of the Group and the implementation of the Board's decisions including implementing the corporate strategy and policy agreed with the Board and reports to the Board on the status of implementation and challenges/problems faced by the Group.

The details of the roles and responsibilities of the Chairman and Managing Director are clearly stated in the Board Charter of the Company.

The Managing Director/Group Chief Executive Officer is assisted by Executive Directors who oversee the day-to-day business operations, financial, human capital and administrative, as well as information technology activities of the Company and the Group.

Besides, the Executive Committee ("EXCO") was established in 2016 to approve and undertake the transactions on behalf of the Board in respect of each investment and/or disinvestment project within an authorised limit granted. The Executive Committee consists of the Managing Director/Group Chief Executive Officer, Executive Director cum Chief Financial Officer, Executive Director cum Chief Investment Officer, Chief Operating Officer, Chief Strategy Officer and such other members as recommended by the Chairman of the EXCO and endorsed by the Board. All actions of the Executive Committee are subjected to the approval of the full Board according to the Limits of Authority endorsed by the Board. The Executive Committee reports these activities to the full Board.

The Independent Non-Executive Directors play an important part in assisting the Chairman to fulfil his role by regularly and rigorously assessing the effectiveness of the Board's processes and activities. The presence of Independent Non-Executive Directors brings an independent perspective to the Board meeting and they act constructively to challenge the decisions and proposals made by Executive Directors and review the performance of the business and management. They also have the ability to make independent analytical inquiries. The Board has delegated some of its responsibilities to the Audit and Risk Management Committee ("ARMC") as well as the Combined Nomination and Remuneration Committee ("CNRC"), subject to variation from time to time as determined unanimously by the Board.

The ARMC and the CNRC have their own written terms of references. The Chairperson/Chairman of these committees will report to the Board on salient matters deliberated in the committee meetings together with their recommendations.

The roles and responsibilities of the Board, Management, Board Committees and individual Directors are set out clearly in the Board Charter. The Code of Ethics and Conduct for Directors and Key Officers was formulated to enhance the standard of corporate governance and to establish a standard of ethical behaviour for Directors and Key Officers of the Group. The Whistleblowing Policy and Procedures was formalised to provide an avenue for employees and stakeholders to disclose information about malpractice or wrongdoing they discover occurring in GDEX.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. Roles and Responsibilities *cont'd*

The Board had adopted Anti-Bribery and Corruption Policy Statement and No Gift Policy which applied to all Directors and employees within the Group. On 3 August 2021, the Company attained the ISO 37001:2016 Anti-Bribery Management System Certification ("ABMS") from SIRIM QAS International Sdn Bhd, the Malaysian certification body for ABMS. The certification is a testament of GDEX's continued commitment towards the highest level of integrity and ethical culture in its day-to-day business operations.

The Board Charter, Code of Ethics and Conduct for Directors and Key Officers, Group Anti-Bribery and Corruption Policy Statement, Whistleblowing Policy and Procedures, No Gift Policy, Directors' Assessment and Remuneration Policy, Corporate Disclosure Policy and Procedure, Succession Planning Policy are available on the Company's website at *www.gdexpress.com*.

The Board meets at least five (5) times a year, at quarterly intervals which are scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. The Board and Board Committees meetings are conducted in accordance with a structured Agenda. The Agenda for each Board and Board Committee together with the relevant reports and Board and Board Committees papers are forwarded to the Directors and Board Committees seven (7) days prior to the meetings of the Board and Board Committees so as to allow the Directors and Board Committees have sufficient time to peruse the agenda papers and review the issues well ahead of the meeting dates for effective discussions and decision making during the meetings. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company which is evidenced by satisfactory attendance record of the Directors at Board meetings and Board Committees meetings.

The details of Directors' attendance during the 18 months financial period ended 31 December 2021 are set out as follows:

Directors	Board Meetings	Audit and Risk Management Committee Meetings	Combined Nomination and Remuneration Committee Meetings
Tan Sri Muhammad Bin Ibrahim (1)	9/9	7/7	5/5
Teong Teck Lean	9/9	Non Member	Non Member
Lim Chee Seong	9/9	Non Member	Non Member
Lee Kah Hin	9/9	Non Member	Non Member
Shuji Yamauchi (2)	-	Non Member	Non Member
Hiroshi Etani (3)	4/6	Non Member	Non Member
Adi Arman Bin Abu Osman (4)	9/9	7/7	5/5
Low Ngai Yuen (f)	9/9	7/7	5/5
Lai Tak Loi (5)	9/9	Non Member	Non Member

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. Roles and Responsibilities *cont'd*

Directors	Board Meetings	Audit and Risk Management Committee Meetings	Combined Nomination and Remuneration Committee Meetings
Chua Put Moy (f)	9/9	7/7	5/5
Dato' Azman Bin Mahmud [6]	3/4	Non Member	Non Member
Nuraini Binti Ismail [7]	-	Non Member	Non Member
Yik Yen Shan, Vincent [8]	-	Non Member	Non Member

Notes:

[1] *Resigned as a member of ARMC and CNRC of the Company on 21 February 2022.*
[2] *Resigned as Non-Independent Non-Executive Director of the Company on 1 April 2021.*
[3] *Appointed as Non-Independent Non-Executive Director of the Company on 1 April 2021.*
[4] *Resigned as Independent Non-Executive Director of the Company on 1 January 2022 and accordingly, ceased to be a member of ARMC and Chairman of the CNRC of the Company.*
[5] *Resigned as Non-Independent Non-Executive Director of the Company on 10 February 2022.*
[6] *Appointed as Independent Non-Executive Director of the Company on 1 June 2021.*
[7] *Appointed as Independent Non-Executive Director of the Company on 1 January 2022 and a member of ARMC and Chairman of the CNRC of the Company on 27 January 2022.*
[8] *Appointed as Non-Independent Non-Executive Director of the Company on 11 February 2022.*

The Board is supported by two (2) qualified external Company Secretaries who have requisite knowledge and experience to carry out their functions of company secretary. The Directors have full access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively.

The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretaries also provide administrative and secretarial support to the Company.

III. Board Composition

An effective Board needs to have the right group of people, considering each individual's background, skills, knowledge and experience, diversity (e.g. age, gender, and culture) and how to bring a group of individuals to work together as a team and assist the Company to achieve its goals. Considerations include the size, composition and time commitments required for the Board members to fulfil their duties effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

III. Board Composition *cont'd*

The current Board comprises professionals from different ethnic, cultural and backgrounds to ensure that each other's viewpoints and concerns are fully considered in the decision-making process. The Board believes that both genders are to be given fair and equal opportunity regardless of age, diverse backgrounds and ethnic origin. As of 31 December 2021, there were two (2) female Independent Non-Executive Directors on the Board which account for 22.2% of the total Board members. In pursuing its gender diversity agenda, the Board is committed to have higher female representation on its Board when necessary and have the appropriate director candidate. Any new appointments of female Director to the Board shall be based on her experience, qualifications, merit and other attributes. Corresponding with this initiative, the Company has achieved 30% of women directors on the Board following the appointment of Puan Nuraini Binti Ismail as an Independent Non-Executive Director of the Company on 1 January 2022.

The Board's current diversity is as follows:

Board of Directors	Gender		Ethnicity			Age Group (Years)			
	Male	Female	Bumiputera	Chinese	Others	30-39	40-49	50-59	60 and above
	7	3	3	6	1	1	2	3	4

The Group is committed to workplace diversity ensuring that the Group values and respects the differences and that the workplace is fair, accessible, flexible, inclusive and free from discrimination. Based on the following summary of the employment gender diversity, there is balanced gender diversity across all the levels of employees in the Company during the financial period under review:

Category of Employees	Female		Male		Total	
	No.	%	No.	%	No.	%
General Staff	760	17.95%	3,085	72.88%	3,845	90.83%
Supervisory	17	0.40%	218	5.15%	235	5.55%
Managerial	78	1.84%	75	1.77%	153	3.61%
Total No. of Employees	**855**	**20.20%**	**3,378**	**79.80%**	**4,233**	**100.00%**

The Company has not set a target of achieving a gender balance in the workplace but the employees are able to access and enjoy the same rewards, resources and opportunities regardless of gender.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

III. Board Composition *cont'd*

The Board through the CNRC periodically reviews the size, structure and overall composition of its Board to ensure that the total number and balance of Directors are appropriate given the size and complexity of the operations and nature of business of the Group. On 24 February 2022, the CNRC conducted an annual review of the Board's size and composition. The evaluation of the Board, its Board Committees and of each Director was carried out through a self and peer assessment that was completed by each Director and reviewed by the CNRC. This evaluation focuses on the Board's contribution to the Company over the preceding year, including areas in which the Board believes the Board's future contribution could be enhanced. The CNRC was satisfied that the existing size, composition, mix of skills, competence, knowledge, experience and independence of the Board members are appropriate to enable them to carry out its responsibilities effectively. The Board has adopted the Diversity Policy and is available on the Company's website at *www.gdexpress.com*.

The composition of the Board has complied with the minimum one-third (1/3) requirement for Independent Directors to be on the Board. The MCCG now provides that at least half of the Board must comprise Independent Directors and for large company there must be a majority of Independent Directors. The Board takes cognizance of the recommendation of the MCCG but it has not adopted this corporate governance best practice at this juncture. Nonetheless, the Board will take the appropriate steps to review and discuss the merits of increasing the number of Independent Board members that could bring a different and wider range of perspectives as well as could bring knowledge and expertise in areas where the Management's knowledge may be lacking.

The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Where the tenure of Independent Director exceeds a cumulative term of nine (9) years, the Board would justify its decision and seek shareholders' approval at the Annual General Meeting ("AGM") to retain an Independent Director beyond nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. As recommended by MCCG best practices, if the Board must continue to retain the independent director after nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process. Further, Bursa Malaysia Securities Berhad had introduced a 12-year tenure limit for independent directors without further extension. As at the date of this Statement, none of the Independent Directors have reached nine (9) years of service since their appointment.

According to the Constitution of the Company, at every AGM, the shareholders entitled to vote for the election or re-election of directors. To enable shareholders to make an informed decision on their election at AGM, the names of directors submitted for election or re-election as a director together with his/her biographical details are set out in the Annual Report.

All Directors shall retire from office at least once in every three (3) years or at least one-third (1/3) of the Directors shall retire but shall be eligible to offer themselves for re-election at the Annual General Meeting. The Directors may fill casual vacancies and appoint additional directors. Mr Teong Teck Lean and Ms Low Ngai Yuen will retire by rotation pursuant to Clause 96 of the Company's Constitution while Mr Hiroshi Etani, Dato' Azman Bin Mahmud, Puan Nuraini Binti Ismail and Mr Yik Yen Shan, Vincent will retire pursuant to Clause 103 of the Company's Constitution at the forthcoming AGM, and having being eligible, will offer themselves for re-election. The CNRC had made recommendations to the Board on re-election of Mr Teong Teck Lean, Ms Low Ngai Yuen, Mr Hiroshi Etani, Dato' Azman Bin Mahmud, Puan Nuraini Binti Ismail and Mr Yik Yen Shan, Vincent. The Board is satisfied with their skills and contribution of these retiring Directors and recommended their re-election as Directors of the Company which is to be tabled at the forthcoming AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

III. Board Composition *cont'd*

The CNRC is mandated to review the size and composition of the Board and re-election of Director nominees annually.

The Board has delegated to the CNRC the authority to identify, evaluate and recommend to the Board potential new candidates for Board membership. The potential candidate may be proposed by existing Director, Senior Management, shareholders or third party referrals. Upon receipt of the proposal, the CNRC is responsible to conduct an assessment and evaluation on the proposed candidate via interview.

In the assessment and selection of new director candidate, the CNRC shall take into account criteria such as backgrounds, mix and diversity of skills, experience, integrity, wisdom, independence of the candidate, ability to work as a team to support the Board, qualification, knowledge and expertise that would add value to the Board and the willingness to devote adequate time and commitment to carry out his/her duties and responsibilities effectively. The assessment/evaluation process may include, at the CNRC's discretion, reviewing the candidate's resume, curriculum vitae and other biographical information, confirming the candidate's qualifications and conducting legal and other background searches as well as formal or informal interview at the CNRC's discretion. Upon completion of the assessment and evaluation of the proposed candidate, the CNRC would make its recommendation to the Board for Board's evaluation and decide on the appointment of the proposed candidates.

The CNRC meets at least once in a year with additional meetings to be convened, if necessary. During the financial period under review, the CNRC met five (5) times and deliberated on the following:

(a) results of Directors' self-assessment in respect of the mix of skills and experience of each individual Director including the core competencies of the Non-Executive Directors;
(b) structure, size, composition (including gender diversity) and effectiveness of the Board as a whole and Board Committees;
(c) level of independence of Directors;
(d) re-election of Directors pursuant to the provisions of the Company's Constitution;
(e) training needs of directors;
(f) terms of office and performance of ARMC and each of its members;
(g) remuneration packages of Executive Directors and Senior Management;
(h) Directors' Assessment and Remuneration Policy;
(i) allowances payable to Independent Director Non-Executive Chairman;
(j) the engagement of third-party consultant to determine the remuneration packages of Managing Director/ Group Chief Executive Officer, Senior Management and Independent Non-Executive Directors of the Company;
(k) Covid-19 Emergency Preparedness and Response Plan;
(l) remuneration framework of employees;
(m) salary adjustments of Executive Director and Chief Operating Officer;
(n) proposed appointment of Chief Strategy Officer and his remuneration package;
(o) directors' fees and benefits payable to Independent Directors;
(p) proposed appointment of Independent Non-Executive Directors; and
(q) proposed appointment of Non-Independent Non-Executive Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

III. Board Composition *cont'd*

Besides the Mandatory Accreditation Programmes as required by Bursa Securities and induction programme for new directors, the Board through the CNRC shall assess the training needs of the Directors and recommend appropriate educational and training programmes for continuous development of its Directors. The continuing education and training of the Directors is an on-going process as the Directors recognise the need to continually develop and refresh their skills and knowledge and to update themselves on the developments in the related industry and business landscape as well as the latest update and developments on the legislation and statutory requirements.

In addition, the Company Secretaries would facilitate and assist in directors' training and development.

Details of training programmes attended by each Director during the 18 months financial period ended 31 December 2021 were as follows:

Name of Directors	Training Programmes	Date
Tan Sri Muhammad Bin Ibrahim	Mandatory Accreditation Programme (MAP)	20 - 22 July 2020
	Orange is The New Black: Malaysian Anti-Corruption Laws and Initiatives	16 June 2021
	Business Continuity Management Awareness	3 September 2021
Teong Teck Lean	MIRA Sustainability Accelerator	3 August 2020
	Malaysian Digitalization Forum - E-Commerce and Online Business: Where Do We Go From Here? How to Scale Up?	6 October 2020
	MCMC National Parcel and Courier Industry Lab (NPCIL)	16 November 2020 - 4 December 2020
	Forbes Asia Best Under A Billion Virtual Forum & Awards Ceremony	23 November 2020
	Forbes Asia CEO Webinar	1 December 2020
	Cybersecurity Awareness Training	7 December 2020
	Forbes Asia CEO Webinar "The Way Forward"	30 - 31 March 2021
	Orange is The New Black: Malaysian Anti-Corruption Laws and Initiatives	16 June 2021
	Business Continuity Management Awareness	3 September 2021
	Credit Suisse New Economy Conference: Panel talk on Logistics	5 October 2021
	Logistics - The Last Mile, A Uniquely ASEAN Challenge	5 October 2021
	Mini Workshop (2022 Postal & Courier Industry Business Plan & Program)	7 December 2021

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

III. Board Composition *cont'd*

Name of Directors	Training Programmes	Date
Lim Chee Seong	Cybersecurity Awareness Training	7 December 2020
	Business Continuity Management Awareness	3 September 2021
Lee Kah Hin	Orange is The New Black: Malaysian Anti-Corruption Laws and Initiatives	16 June 2021
	Business Continuity Management Awareness	3 September 2021
Low Ngai Yuen (f)	Cybersecurity Awareness Training	7 December 2020
	1-Day Program On Mergers & Acquisitions : Getting It Right & Making It Work	17 December 2020
	Orange is The New Black: Malaysian Anti-Corruption Laws and Initiatives	16 June 2021
	Business Continuity Management Awareness	3 September 2021
Chua Put Moy (f)	Anti-Corruption and Bribery Training	10 September 2020
	Financial Resilience	25 September 2020
	Technology & Data	19 October 2020
	Environmental, Social & Governance - Recovery & Resilience	12 November 2020
	MACC Section 17A On Corporate Liability	27 November 2020
	Cybersecurity Awareness Training	7 December 2020
	Environmental, Social & Governance	25 February 2021
	Managing Human Rights: Why is it important to corporations?	11 March 2021
	Sales Tax and Service Tax: The Journey So Far	14 April 2021
	Orange is The New Black: Malaysian Anti-Corruption Laws and Initiatives	16 June 2021
	Corporate Liability Provision, Pursuant to MACC Act 2009	16 June 2021
	The New Reality of Cyber Hygiene	21 July 2021
	Malaysian Code of Corporate Governance	27 July 2021
	ESG (Environmental, Social, and Governance)	1 - 2 September 2021
	Business Continuity Management Awareness	3 September 2021
	Audit Oversight Board	29 November 2021

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

III. Board Composition *cont'd*

Name of Directors	Training Programmes	Date
Hiroshi Etani	Mandatory Accreditation Programme (MAP)	28 – 30 June 2021
	Business Continuity Management Awareness	3 September 2021
Dato' Azman Bin Mahmud	Mandatory Accreditation Programme (MAP)	28 – 30 June 2021
	Orange is The New Black: Malaysian Anti-Corruption Laws and Initiatives	16 June 2021
	Business Continuity Management Awareness	3 September 2021

IV. Remuneration

The CNRC and the Board are mindful of the need to remunerate and retain its Directors and Senior Management to ensure that their commitment remains and therefore their remuneration package is directly linked to their performance, service, seniority, experience and scope of responsibilities.

The CNRC is responsible for developing a formal and transparent policy and framework on the Directors' remuneration, which including that of the Executive Directors, and recommend to the Board for approval. The remuneration of Directors is determined at levels which enable the Group and the Company to attract and retain Directors with the relevant experience, knowledge and expertise to assist in managing the Group effectively.

The remuneration of the Directors is determined on the basis of market or industry benchmarking and the Group's performance taking into account the performance, the level of contribution of individual Directors, their responsibilities and the number of meetings attended.

In establishing the remuneration of Senior Management, performance measures should include appropriate financial targets and non-financial targets so as to reward individual performance and promote the long-term success of the Company.

The Executive Directors do not participate in decisions with regard to their own remuneration package. The Directors' remuneration package is determined and approved by the Board as a whole based on the relevant recommendations made by the CNRC, with the Directors concerned abstaining from deliberations and voting on his/her own remunerations.

On 31 March 2022, the CNRC had reviewed the Non-Executive Directors' fees and benefits as well as the remuneration of Executive Directors and recommended the same to the Board for approval. The proposed Directors' fees and benefits payable for the period from 1 December 2020 until the next AGM will be tabled for the shareholders' approval at the forthcoming AGM of the Company.

The detailed disclosure of the remuneration of the individual Directors and Senior Management during the financial year under review is provided in the Corporate Governance Report, which is available for download at *www.gdexpress.com*.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

IV. Remuneration *cont'd*

The Company's policy and procedures for the remuneration of Directors and Senior Management are set out in the Directors' Assessment and Remuneration Policy and a copy of the said policy can be found on the Company's website at *www.gdexpress.com*.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

While risk assessment and the internal audit are different processes, the Board assigned risk oversight to its Audit Committee by combining the functions of the Audit Committee and Risk Management Committee in 2013 and known as "Audit and Risk Management Committee" ("ARMC").

Currently, all the three (3) members of ARMC of the Company are Independent Non-Executive Directors. The Chairperson of the ARMC, Ms Chua Put Moy, is a member of the Malaysian Institute of Accountants. All members of the ARMC are able to read and understand fundamental financial statements of the Group.

In line with best practices of MCCG, the Chairman of the Board, Tan Sri Muhammad Bin Ibrahim had resigned as a member of ARMC on 21 February 2022.

The ARMC undertakes its role and responsibilities as set out in its written Terms of Reference. The ARMC oversees the financial reporting and disclosure process, the system of internal controls and risk management as well as the internal and external audit functions. The ARMC has full access to any information it requires pertaining to the Group from the Management as well as the Company's internal and external auditors, who have access at all times to the Chairperson of the ARMC. The Terms of Reference of the ARMC outlining the composition and duties and responsibilities are available on the Company's website at *www.gdexpress.com*. The activities undertaken by the ARMC during the financial year are summarised in the Audit and Risk Management Committee Report contained in this Annual Report.

In safeguarding and supporting the external auditors' independence and objectivity, the ARMC has formalised the External Auditors Assessment Policy which spells out the selection process of new external auditors, assessment of independence, basic principles on the prohibition of non-audit services and the approval process for the provision of non-audit service. At least twice a year, the ARMC shall meet with the external auditors to discuss their audit plan, areas of audit focus, audit analytics, audit findings and the Company and Group's audited financial statements. These meetings are held without the presence of the Executive Directors and Management. The external auditors attend the AGM of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and contents of audit report, if necessary.

On 25 February 2022, the ARMC has carried out an assessment of the independence, performance and suitability of the external auditors, Messrs. Deloitte PLT and the Audit and Risk Management Committee concluded that Messrs. Deloitte PLT have the suitable size and resources required to audit the Company and have maintained professional and quality external audit scope, processes and planning.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

I. Audit and Risk Management Committee *cont'd*

The Board through the CNRC evaluated the performance and term of office of ARMC and each of its members annually to ensure it functions effectively. The Board is satisfied that the ARMC and members have effectively and efficiently discharged their duties.

II. Risk Management and Internal Control Framework

The Board has ultimate responsibility for reviewing the Group's risks, approving the risk management framework policy and overseeing the strategic risk management and internal control frameworks of the Group.

The Group's internal audit function is independent of the Group's operations and provides reasonable assurance that the Group's system of internal control is satisfactory, adequate and operating effectively. The internal auditors adopt a risk-based approach towards the planning and conduct of audits, which are consistent with the Group's framework in designing, implementing and monitoring its internal control system. A three (3) years internal audit plan setting out the internal audit work expected to be carried out over the next three (3) financial years, is tabled to the ARMC for review and approval.

The Internal Audit Charter, approved by the ARMC, sets out the nature, purpose, authority and responsibility of the internal audit function.

The Statement on Risk Management and Internal Control and Corporate Governance Report which formed part of this Annual Report provides more details on the risk management and internal control processes within the Group respectively.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Company recognises the importance of the use of information technology for effective and timely dissemination of information that serves as a direct line of communication with shareholders and investors by way of timely dissemination of information of the Group's performance and major development.

The Group's Investor Relations section is accessible by the public via its website at *www.gdexpress.com*, which enhances such communication with the stakeholders through its analyst reports, all announcements made, Annual Reports as well as the corporate and governance structure of the Company.

The Company recognises the value of transparent, consistent and coherent communications with investment community which is also consistent with commercial confidentiality and regulatory considerations. Therefore, it has put in place a Corporate Disclosure Policy and Procedure to ensure that communications to the investing public about the Group comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

II. Conduct of General Meetings

The Company recognises the need for shareholder engagement, which is reflective of the Board's fiduciary duties to the shareholders and is of the view that clear and consistent communication encourages a better appreciation of the Group's business and activities, and allows the Group's businesses and prospects to be evaluated properly.

The AGM provides a privileged opportunity for shareholders to share their views and communicate with the Board. Shareholders attending the AGM will be given a reasonable opportunity to participate in the AGM and vote on matters.

All Board members, including the Chairperson/Chairman of ARMC and CNRC, attended and participated in 2020 Virtual AGM.

Currently, the Notice of the Company's AGM is circulated to shareholders at least twenty-eight (28) days before the date of the meeting to enable shareholders to go through the Annual Report and explanatory notes/papers supporting the resolutions proposed before making any decision in relation to the proposed resolutions.

Given the importance of virtual meetings and shareholders' participations as a result of the COVID-19 pandemic, the forthcoming AGM of the Company will be conducted on a fully virtual basis via Remote Participation and Electronic Voting facilities. This is in line with best practices of MCCG.

All the resolutions set out in the Notice of the AGM were put to vote by poll voting. The poll results were confirmed and verified by an independent scrutineer appointed by the Company.

A summary of key matters discussed at the AGM will be published on the Company's website as soon as practicable upon being reviewed by the Board members and approved by the Chairman.

ADDITIONAL COMPLIANCE INFORMATION

1. MATERIAL CONTRACTS

During the 18 months financial period ended 31 December 2021, there were no material contracts entered into by the Company and its subsidiary companies with Directors and/or major shareholders.

2. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Details of the Recurrent Related Party Transactions made during the 18 months financial period ended 31 December 2021 were as follows:

Nature of Transaction	Company involved in the Transaction	Related Company	Interested Directors/ Substantial Shareholders/ Persons Connected to Directors or Substantial Shareholders	Actual Value for the period ended 31 December 2021 (RM)
Provision of express delivery services to SingPost	GD Express (Singapore) Pte Ltd ("GD(S)")(1)	Singapore Post Limited ("SingPost")(3)	Lai Tak Loi(4)	1,124,244
Provision of express delivery services to QSI(M)	GD Express Sdn Bhd ("GDSB")(2)	Quantium Solutions International (Malaysia) Sdn Bhd ("QSI(M)")(5)	SingPost	6,951,955
Provision of express delivery services to YTSB	GDSB	Yamato Transport (M) Sdn Bhd ("YTSB")(6)	Yamato Asia Pte Ltd ("Yamato Asia")(7)	42,024
Provision of advisory services to GDEX Berhad ("GDEX")	GDEX	Yamato Transports Co., Ltd	Hiroshi Etani(9)	90,000
Provision of advisory services to GDEX	GDEX	Yamato Holdings Co., Ltd.(8)	Hiroshi Etani(9)	90,000
Provision of business software development to GDSB	GDSB	Web Bytes(9), (10)	Teong Teck Lean(9) Lee Kah Hin(10)	61,066

ADDITIONAL COMPLIANCE INFORMATION
cont'd

2. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE *cont'd*

Notes:-

[1] GD(S), a wholly-owned subsidiary of the Company.
[2] GDSB, a wholly-owned subsidiary of the Company.
[3] SingPost, a substantial shareholder of the Company.
[4] Mr Lai Tak Loi is the Group Chief Financial Officer of SingPost and Corporate Representative of SingPost in the Company during the 18 months financial period ended 31 December 2021.
[5] QSI(M), an indirect 66%-owned subsidiary of SingPost.
[6] YTSB, a subsidiary of Yamato Asia Pte Ltd.
[7] Yamato Asia, a substantial shareholder of the Company.
[8] Yamato Holdings Co., Ltd., a holding company of Yamato Asia.
[9] Mr Hiroshi Etani is the Senior Management Executive Officer, Head of Corporate Sales & Global Strategy of Yamato Transport Co., Ltd. and Director of Yamato Asia.
[10] Mr Teong Teck Lean is the Director of Web Bytes, a 32.69% associate company of the Company.
[11] Mr Lee Kah Hin is the Director of Web Bytes, a 32.69% associate company of the Company.

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

3. Audit and Non-Audit Fees

For the 18 months financial period ended 31 December 2021, the total amount of audit and non-audit fees paid/payable to the external auditors, and firms affiliated to external auditors for services rendered to the Company and the Group were as follows:

	The Company RM	The Group RM
Audit Fees	154,000	389,386
Non-Audit Fees	65,000	65,000

4. Utilisation of Proceeds

During the 18 months financial period ended 31 December 2021, the Company did not undertake any corporate proposal to raise proceeds.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In accordance with the principles set out in the Malaysian Code on Corporate Governance ("MCCG"), a listed company should establish a sound risk management framework and internal control systems to safeguard shareholders' investments and the Group's assets. The Board of Directors ("Board") is pleased to provide this Statement on Risk Management and Internal Control pursuant to Chapter 15, paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors for Listed Issuers for the 18 months financial period from 1 July 2020 to 31 December 2021.

THE BOARD'S RESPONSIBILITY

The Board recognises the importance of a sound risk management framework and internal control systems for good corporate governance, and acknowledges its primary responsibility for the adequacy and integrity of the Group's systems of risk management and internal control including the identification of principal risks in the Group, measured and managed with appropriate internal control measures, as well as review of its effectiveness, particularly the financial, operational, and compliance aspects of the Group throughout the financial year. However, the Board also acknowledges that such risk management and internal control systems are 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 mitigation against material misstatement of management and financial information and records or against financial losses or fraud.

The Group has established an on-going process to identify, evaluate and manage significant risks faced by the Group and its achievement of objectives and strategies. The process involves, amongst others, updating the risk register and internal control documentation when there are changes to business environment or regulatory guidelines. The process is being reviewed by the Board annually or as and when there are any changes made in the Malaysian Code on Corporate Governance and is generally in line with the guidelines as contained in the publication – Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The Board is of the view that the systems of risk management and internal control are in place for the year under review and up to the date of approval of this statement. The risk management and internal control systems are 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 risk management and internal control, in view of the dynamic and changing business environment.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

FIVE KEY COMPONENTS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

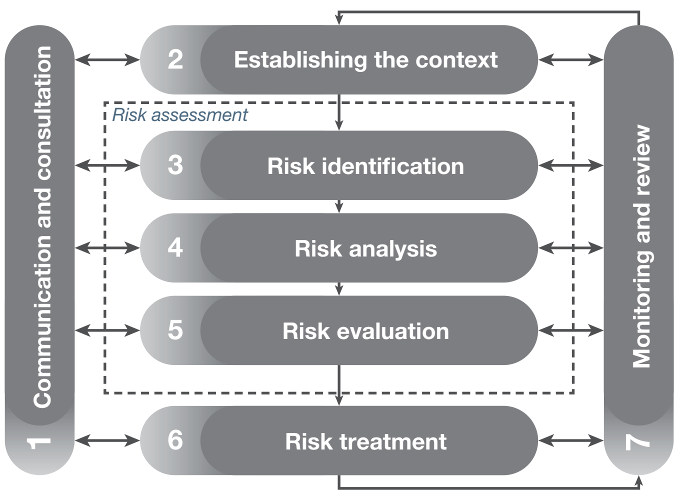
I. RISK MANAGEMENT

Risk Management Framework

The Board has entrusted the Audit and Risk Management Committee (ARMC) to review the risk management processes within the Group.

The ARMC is assisted by the Risk Management Working Committee (RMWC) which comprised Entity Risk Owners to identify and assess relevant business risks and to devise relevant risk response actions plan to mitigate them accordingly.

The risk management methodology being applied is ISO 31000:2018 Risk Management Standard (the standard). There are 9 categories 1) Financial; 2) Operations; 3) Legal and Regulatory; 4) Human Capital; 5) External Factors; 6) Business Operations; 7) Shareholders; 8) Bribery and Corruption and 9) Economic, Environment, Social and Governance (ESG) risks which have been identified, assessed, rated and treated using the standard as follows:



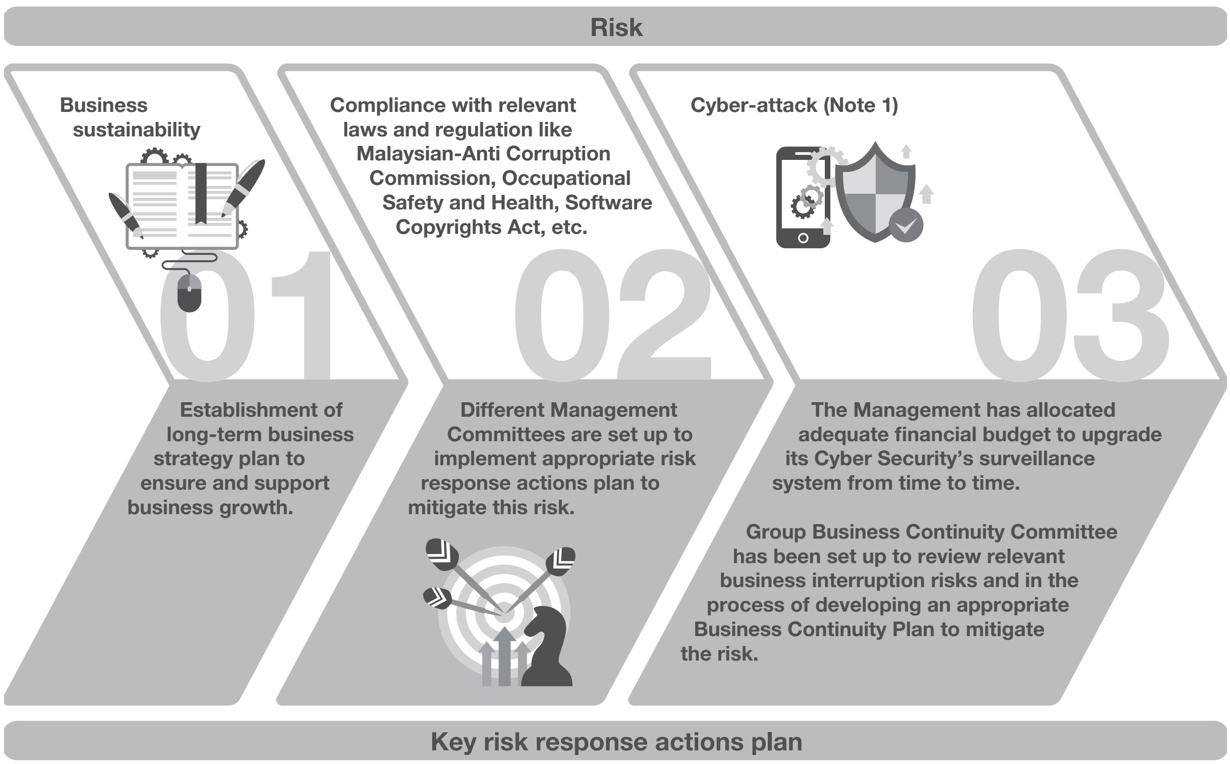
Here are the top significant risks which are being scrutinised by the ARMC. Together with the other risks, the ARMC reviews the Risk Management Update report to ensure the Risk response action plans devised are indeed carried out to mitigate the risks faced by the Group. The outcome of the Risk Management Update review is also presented to the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

FIVE KEY COMPONENTS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM *cont'd*

I. RISK MANAGEMENT *cont'd*

Risk Management Framework *cont'd*



Note 1:

On 14 July 2021, the Company had made a voluntary announcement to Bursa Securities regarding a cyber-security breach encountered earlier. With the advice of the ARMC, the Management had immediately formed a Cyber-attack Incident Management Committee (CIMC) to carry out the approved remedial and improvement actions plan. The key actions plan are i) Engaged independent consultant to review the current Information Technology infrastructure and strengthened system security control accordingly; ii) Recruited IT Compliance and Cyber Security Officers to strengthen IT policies and procedures and Cyber Security Management respectively; iii) Reviewing and developing the Group Business Contingency Plan to ensure protection and recovery of its business data timely in the event of unforeseen circumstances; iv) Identified and working with appropriate Consultant to embark on ISO 27001 certification for the IT security's internal control system. As at the date of this annual report, most of the remedial and improvement action plans have been duly implemented or in progress.

The ARMC and Board are regularly updated with the status of the remedial and improvement actions plan based on the progress.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

FIVE KEY COMPONENTS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM *cont'd*

II. CONTROL ENVIRONMENT

The ARMC

In addition to Risk Management, the Board has tasked the ARMC with established Terms of Reference to examine the effectiveness of the Group's System of Internal Control. Internal audit findings are presented, together with Management's comments and proposed action plans, to the ARMC for its review. The ARMC also ensures the internal audit function follows up and reports on the status of the implementation of action plans by Management on the findings.

The ARMC had updated the Board on the status of the Group's System of Internal Control in the Board meetings conducted during the year.

The ARMC also reviewed and ensured relevant measures had been carried out by the Management to address the internal control weaknesses raised by the external auditors during the ARMC meetings.

Organisation Structure and Limits of Authority ("LOA")

The Group maintains an effective organizsation structure with clear objectives, responsibilities, authority and segregation of duties. The authority levels which duly approved by the Board are appropriately delegated with clear and proper documentation. The limits are regularly reviewed, revised as the need arises, and approved by the management and/or the Board in accordance with their LOA, in line with changes in business, structural and operational perspectives.

Corporate Philosophy

The Group's culture is guided by a set of philosophy, which includes Core Values, Management Principles, and Corporate Qualities. All employees are also governed by a Code of Ethics and Conduct, which is embedded in the Employee Handbook.

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 which governing the Group's core business. 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 property, plant and equipment.

Human Resource

The Group has an effective human resource policy that is guided by the Group's corporate core values, which clearly articulates the knowledge, skills and professionalism, abilities and behavior expectation of its employees. 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. The Group has in place experienced and competent employees in areas of responsibility to support the effectiveness of the Group's systems of Risk Management and Internal Control. The Group provides relevant training to the employees to ensure continuous improvement and embarked on an individual development plan for functional competency to upskill and reskill its employees as well as to strengthen career management and succession planning.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

FIVE KEY COMPONENTS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM *cont'd*

III. CONTROL ACTIVITIES

Budget Plan and Budget

All material business proposals are pre-evaluated by Management Committee in terms of their risk and viability from operational, financial and strategic direction standpoint, to ensure strategies optimisation and relevance, before escalating them to the Board for review and approval.

A comprehensive work plan and budgeting process is established requiring all key business and operating units to prepare work plan and budget annually. The final budgets are presented and tabled for Board approval. Operating results are being closely monitored by management against approved budget and key performance indicators. Any significant variances identified will be investigated and corrective measures will be implemented accordingly.

Insurance and Physical Safeguard

The insurance coverage of the Group's major assets is reviewed annually and/or when is necessary to do so. Adequate insurance and physical security of major assets are in place to ensure that the assets of the Group are sufficiently covered against any mishap that will result in material losses to the Group.

Management Committee

Various Management Committees at Senior Management level have been established to assist and support the Board to oversee the following areas:

Executive Committee:

The Committee made up of top management of the Group and assist the Board and Managing Director/Group Chief Executive Officer to ensure the approved Business Strategy and Plan is being executed and carried out appropriately by the Management. Business Strategy and Plan includes amongst others i) Sales and Marketing Strategies; ii) Investment proposal; iii) Merger and Acquisition; and etc.

Group Health and Safety Committee:

The Committee is represented by key Head of Departments to oversee occupational health and safety matters particularly pertaining to requirements imposed by the Occupational, Health and Safety Act.

When Covid-19 pandemic became one of the significant risks in business, the function of the Committee has included implementation and enforcement relevant work Standard Operating Procedures (SOP) to mitigate such risk, which include compliance with Government SOP imposed during Movement Control Order and National Recovery Plan.

Information Steering Committee

Consisted of some of the EXCO Committee members and key management staff from Technology Group to review and set the IT infrastructure development of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

FIVE KEY COMPONENTS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM *cont'd*

III. CONTROL ACTIVITIES *cont'd*

Management Committee *cont'd*

Anti-Bribery and Corruption Committee

This Committee serves as the Compliance function of the Group Anti-Bribery and Corruption system (ABMS) (ISO 37001:2016). The Committee assists the Top Management and Board to ensure effective implementation of the ABMS system to mitigate bribery and corruption risks accordingly.

Group Business Continuity Committee

Key Management staff formed this Committee and established a timeline to develop a Business Continuity Plan to mitigate business interruption risks like disaster, cyber-attack and etc.

Sustainability Working Committee

There are several sub-working taskforces to collectively formed this Committee to drive the sustainability journey of the Group.

With the requirements being imposed by the latest MCCG to make ESG risks as an essential Board's agenda, the Committee is working with the Entity Risk Owners to determine, assess and mitigate the risks associated with the key sustainability material matters identified by stakeholders.

IV. INFORMATION AND COMMUNICATION

Financial performance and key business indicators are tabled and deliberated at the regular Executive Committee meetings. Major business strategies and operational issues are also discussed at these meetings.

The Executive Directors report to the Board the financial performances of the Group during the regular Board meetings. Major investments and business strategies are also discussed and approved by the Board.

V. MONITORING

Internal Audit Function

The review of the adequacy and integrity of the Group's Risk Management and Internal control systems is the delegated responsibility of the ARMC. The ARMC is assisted by the Internal Audit Function in discharging its duties and responsibilities by providing the Board with the assurance it requires on the adequacy and integrity of the system of internal controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

FIVE KEY COMPONENTS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM *cont'd*

V. MONITORING *cont'd*

Internal Audit Function *cont'd*

The Internal Audit Function is undertaken by an in-house team and adopts a risk- based approach in preparing audit plan that is reviewed and approved by the ARMC. The audit plan covers review of the risk exposures and control processes implemented by the Management, review of the critical areas within the Group including the adequacy of operational controls and information systems, compliance with established policies and procedures. Where improvement opportunities were being identified during internal audit reviews, recommendations are then made and appropriate action plans are agreed upon amongst management, operational and functional units. The internal audit reports summarising the results of periodic internal audit visits are presented to the ARMC on a quarterly basis and follow-up visits are performed to track the implementation progress of agreed action plans.

The ARMC evaluates the internal audit function to assess its effectiveness in discharging of its responsibilities. The internal audit function carries out its duties and responsibilities by applying the International Professional Practices Framework and reports its compliance with such framework to the ARMC at least annually.

During the period under review, no material findings that would result in any material losses, contingencies or uncertainties that would warrant a separate disclosure in this annual report had been brought to the attention of the Board. 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 ever changing and challenging business environment.

ISO Certifications

ISO 9001 and 14001

The Group's core subsidiaries are ISO certified in Quality Management and Environmental Systems. Regular Internal and Certification audits are being carried out to ensure requirements of the Quality Management and Environmental systems are met to improve customers' satisfaction as well as complying with best environmental practices.

ISO 37001:2016

Pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and Paragraph 15.29(1)(a) of the Main Market Listing Requirements of Bursa Securities, the core companies of the Group had successfully achieved the ISO 37001:2016 requirements. Such achievement shows high commitments by the Board to ensure the best Anti-Bribery and Corruption system is being implemented by the Group to mitigate such risks.

Assurance

The Management assists the Board in the implementation of the Board's policies and procedures on risk management and internal control by identifying, evaluating, monitoring and reporting of risks and internal controls, taking appropriate and timely preventive and corrective actions as and when needed, and provides assurance to the Board that the required procedures have been carried out.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

FIVE KEY COMPONENTS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM *cont'd*

V. MONITORING *cont'd*

Assurance *cont'd*

In relation to the cyber security incident announced to the Bursa Malaysia in July 2021, the Management has carried out immediate and appropriate actions to further reinforce existing security checks and safety measures to avert any future cyber security breaches. The Board has obtained assurance from the Managing Director/ Group Chief Executive Officer, Chief Financial Officer and Chief Operating Officer that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects based on the risk management and internal control systems of the Group, and nothing has come to their attention that may have a material impact on the business and operations of the Group which in turn may affect the Group's financial performance during the current financial period from 1 July 2020 to 31 December 2021 under review.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for the inclusion in the annual report of the Company for the financial period 1 July 2020 to 31 December 2021 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 risk management and internal controls.

This Statement is made in accordance with the resolution of the Board of Directors dated 7 April 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("Board") of GDEX Berhad ("the Company") is pleased to present the report of the Audit and Risk Management Committee ("Committee" or "ARMC") for the 18 months financial period from 1 July 2020 to 31 December 2021.

COMPOSITION AND ATTENDANCE AT MEETINGS

The composition of the ARMC comprises the following three (3) Independent Non-Executive Directors:

Name	Designation
Chua Put Moy* (f)	Chairperson, Independent Non-Executive Director
Adi Arman Bin Abu Osman *(Resigned as a member on 1 January 2022)*	Member, Independent Non-Executive Director
Low Ngai Yuen (f)	Member, Independent Non-Executive Director
Tan Sri Muhammad Bin Ibrahim* *(Resigned as a member on 21 February 2022)*	Member, Independent Non-Executive Director
Nuraini Binti Ismail (f) *(Appointed as a member on 27 January 2022)*	Member, Independent Non-Executive Director

* *Member of Malaysian Institute of Accountants*

During the financial period under review, the Committee met seven (7) times, and the attendance records of the Committee are shown on page 58 of this Annual Report.

The Company's internal and external auditors, Executive Directors and Senior Management are generally invited to attend the meetings.

The Chairperson of the Committee will report formally to the Board on its proceedings after each meeting.

The Combined Nomination and Remuneration Committee ("CNRC") had on 24 February 2022, reviewed on the term of office and performance of the Committee and its members. The CNRC is satisfied that the Committee carried out its duties in accordance with its Terms of Reference.

The full Terms of Reference of the Committee are available at the Company's website at *www.gdexpress.com*.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

SUMMARY OF WORKS OF THE ARMC

The Committee had carried out the following works during the financial period ended review in discharging its duties and responsibilities:

1. Financial Reporting

(a) Reviewed the unaudited quarterly financial results of the Group. The Committee had sought explanations and additional information from the Executive Director cum Chief Financial Officer and the Management on the reasons for variances/fluctuations in the financial performance of the Group, including the key income and operating expenses, before recommending the same to the Board for approval.

(b) Reviewed and discussed the annual audited financial statements of the Group and the Company with the External Auditors, Messrs. Deloitte PLT ("Deloitte") with particular focus on significant matters highlighted in their management letter, including financial reporting issues, significant judgements made by the Management, significant and unusual events or transactions, if any, and how these matters are addressed, and the responses/actions taken by the Management on the resolution of such issues, before submission to the Board for their approval. The review was to ensure that the financial reporting and disclosures requirements comply with:

- Provisions of the Companies Act 2016
- Listing Requirements of Bursa Malaysia Securities Berhad
- Applicable and approved Malaysian Financial Reporting Standards ("MFRSs") International Financial Reporting Standards ("IFRS")
- Other legal and regulatory requirements

In the review of the annual audited financial statements, the Committee discussed with Management and Deloitte the accounting policies and principles, financial reporting standards that were applied, and also their judgement of the items that may affect the financial statements, including accounting estimates and assumptions, going concern, materiality and related disclosures.

2. Internal Audit

(a) Reviewed and discussed the internal audit reports which were tabled during the meetings, the audit recommendations for improvements to the existing system of internal controls, and work processes are made to the Management for resolutions where necessary, as well as the Management's action and response to these recommendations.

(b) Reviewed and discussed the high and key risks that had been identified and reported in the Risk Management Reports as well as new and emerging risks and control mechanisms.

(c) Reviewed and discussed the implementation status taken by the Management in response to the audit recommendations on the audit findings raised in the audit reports and ensure that appropriate management actions being taken to rectify the weaknesses and all the key audit findings as highlighted, and control lapses have been addressed effectively and efficiently. This scope also includes follow-up on the agreed remedial and improvement actions plan to mitigate cyber security risk and audit findings raised by Deloitte during the previous statutory audit respectively.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

SUMMARY OF WORKS OF THE ARMC *cont'd*

2. Internal Audit *cont'd*

(d) Reviewed and updated the Board the Risk profile of the Group periodically which covered bribery & corruption and sustainability in addition to other business risks. The Committee also ensured risk response actions plan are duly deviced and being implemented by the Management to mitigate significant business risks of the Group appropriately.

(e) Reviewed and approved the revised 2020-2022 risk-based internal audit plan to ensure the adequacy of audit scope and programmes.

(f) Reviewed, assessed and approved the 2022 resources budget of the risk management and internal audit department.

(g) Appraised the work performance of the Head of Risk Management and Audit.

3. External Audit

(d) Reviewed and discussed audit updates presented by Deloitte on the matters arising from the audit of the Group and of the Company for the 18 months financial period ended 31 December 2021.

(b) Reviewed and discussed with Deloitte their audit planning memorandum, which set out audit strategy, the scope of work, key audit matters, and proposed audit fees.

(c) Reviewed the annual audited financial statements of the Group and of the Company before submission to the Board for approval.

(d) Reviewed and discussed Deloitte's observations, the results of the annual audit and management letter together with Management's responses to the findings.

(e) Assessed and discussed the audit performance and effectiveness of Deloitte, including independence, objectivity, and reporting, professional skepticism, communication, interaction, experience and expertise, audit finalisation, the quality of skills and capabilities of audit staff, resources as well as the terms of engagement. The Committee is satisfied with the performance of Deloitte, which remains effective, objective, and independent.

(f) Had private sessions with Deloitte without the Management's presence to discuss other issues of concern, if any, arising from the audit.

4. Related Party Transactions

(a) Reviewed the recurrent related party transactions ("RRPT") of a revenue or trading nature entered into by the Company and its subsidiaries and associated companies and considered any related party transactions and conflict of interest situation that may or have arisen within the Company or the Group including any transactions, procedure or course of conduct that raises questions on management integrity.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

SUMMARY OF WORKS OF THE ARMC *cont'd*

4. Related Party Transactions *cont'd*

(b) Reviewed the draft Circular to Shareholders concerning the proposed renewal of shareholders' mandate for RRPT of a revenue or trading nature before submitting the same to the Board for consideration and approval as well as to Bursa Malaysia Securities Berhad for perusal and approval.

5. Anti-Bribery and Corruption

(a) Reviewed and reported to the Board the adequacy of the anti-bribery and corruption system being put in place by Management to mitigate associated bribery and corruption risks.

6. Others

(a) Reviewed the ARMC Report and Statement on Risk Management and Internal Control before recommending the same to the Board for approval and inclusion in the Annual Report of the Company.

(b) Reviewed the Anti-Bribery Management Systems Reports.

(c) Reviewed the follow-up Reports on External Auditors' IT audit findings.

(d) Reviewed the follow-up Reports on Technology Group Audits arising from cybersecurity incident.

(e) Reviewed the conceptual framework to integrate Environmental, Social and Governance (ESG) into the Enterprise Risk Management Framework.

(f) Reviewed and approved 2022 Financial Budget-Risk Management and Audit Department.

INTERNAL AUDIT FUNCTION AND SUMMARY OF WORKS

Internal Audit Function

The Board has established an in-house and independent internal audit department to assist the ARMC and the Board in providing an independent assessment on the adequacy, efficiency, and effectiveness of the Group's risk management, internal control, and governance systems.

The Internal Audit department is staffed by five professionals, and it is led by Mr. Chow Kim Wai (Manager, Risk Management and Audit). He holds a Bachelor of Commerce (majoring in Accounting). He is a member of reputable professional bodies, namely, i) Chartered Accountant, Malaysian Institute of Accountant, ii) CPA, CPA Australia, and iii) Chartered Member, The Institute of Internal Auditors Malaysia. He reports directly to the Committee.

The Internal Audit Charter is established to ensure the Internal Audit function is free from any relationship or conflict of interest, which could impair objectivity and independence. Besides, Internal Audit Standard Operating Procedure is established to ensure the Internal Audit function carries out its duties closely in line with the International Professional Practices Framework (IPPF).

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

INTERNAL AUDIT FUNCTION AND SUMMARY OF WORKS *cont'd*

Internal Audit Function *cont'd*

During the financial period under review, the Internal Audit function carried out the following activities to assure ARMC regarding the risk management, internal control, and governance state of the Group:

i) Based on the revised and approved 2020-2022 Internal Audit Plan formulated after considering key business processes and risks of the Group, carried out internal and risk management audits on the Company's Branches and relevant Business Functions, respectively. The Internal Audit function has also introduced data analytics in its audit. Hence, all Branches audits and bigger sample sizes can be covered to improve the efficiency and effectiveness of its audit processes.

ii) Internal Audit and Risk Management reports and follow-up audit results are tabled to the ARMC and Management to ensure agreed action plans were carried out to address significant findings.

The Committee is pleased to report that appropriate remedial actions plan have been duly carried out to contain the cybersecurity incident which was announced to the Bursa Malaysia in July 2021. There were no other significant weaknesses identified that would have resulted in any material losses, contingencies, or uncertainties to the Group, which would require separate disclosure in the financial statements.

The total cost incurred by the Internal Audit Department concerning the conduct of the internal audit functions of the Group during the 18 months financial period ended 31 December 2021 amounted to RM788,730.

5-YEAR GROUP FINANCIAL HIGHLIGHTS

	18 Months[1] Period Ended 31 December 2021	<------------- 12 Months Year Ended 30 June -------------> 2020	2019	2018	2017
Results of Operation					
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	636,937	364,010	313,858	292,989	250,510
Profit from Operations	51,661	19,878	14,515	34,752	33,613
Profit before tax	58,180	23,740	32,372	44,608	44,474
Profit after tax	42,429	18,491	32,468	23,627	36,829
EBITDA	134,120	70,544	53,735	61,429	57,265
Return on revenue	7%	5%	10%	8%	15%
Profit attributable to:-					
Owners of the parent	41,463	18,534	32,468	23,627	36,829
Non-controlling interests	966	(43)	-	-	-
	42,429	18,491	32,468	23,627	36,829

	As of 31 December 2021	<---------------------- As of 30 June ----------------------> 2020	2019	2018	2017
Financial Position					
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Total assets	637,900	656,056	555,635	518,055	478,031
Total liabilities	141,576	159,630	76,471	68,374	51,883
Net assets	496,324	496,427	479,164	449,681	426,148
Paid-up capital	337,896	337,896	337,888	327,809	313,837
Treasury shares	(20,949)	(905)	-	-	-
Shareholders' equity:-					
Owners of the parent	481,906	483,181	479,164	449,681	426,148
Non-controlling interests	14,418	13,246	-	-	-
	496,324	496,427	479,164	449,681	426,148

5-YEAR GROUP FINANCIAL HIGHLIGHTS
cont'd

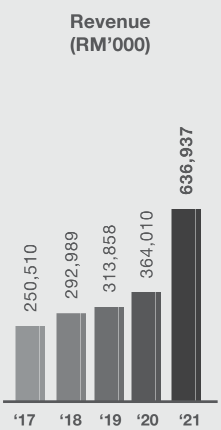
	As of 31 December 2021	<---------------------- As of 30 June 2020	2019	2018	2017 ----------------------->
Share information					
Number of shares in issue ('000)	5,641,411	5,641,411[2]	5,641,388	5,602,624	5,576,237
Basic earnings per share (sen)	0.73	0.33	0.58	0.42	0.66
Diluted earnings per share (sen)	0.76[4]	0.33[3]	0.58	0.40	0.65
Net assets per share (RM)	0.09	0.09	0.08	0.08	0.08
Share price at end of financial period/year (RM)	0.285	0.355	0.265	0.405	0.625

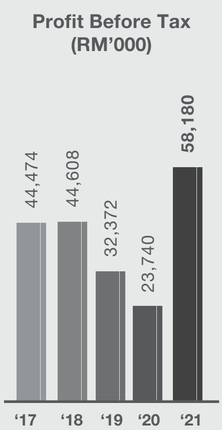
[1] *During the financial period, the Group and the Company have changed its financial year end from 30 June to 31 December. Accordingly, the financial statements of the Group and of the Company fo the current financial period are drawn up for a period of eigtheen (18) months from 1 July 2020 to 31 December 2021.*

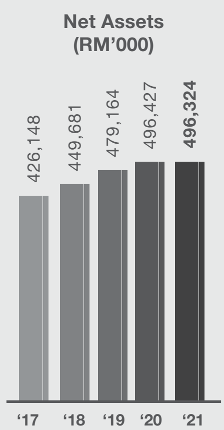
[2] *During the financial year ended 30 June 2020, the Company increased its issued and paid-up ordinary share capital from 5,641,388,335 ordinary shares to 5,641,410,835 ordinary shares.*

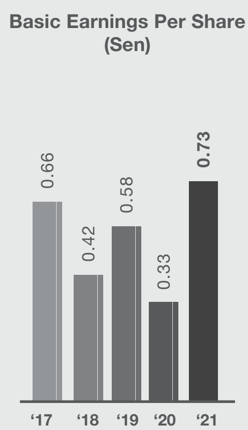
[3] *There is no effect of dilution on diluted earnings per share as the Warrants 2015/2020 had expired and lapsed on 11 February 2020.*

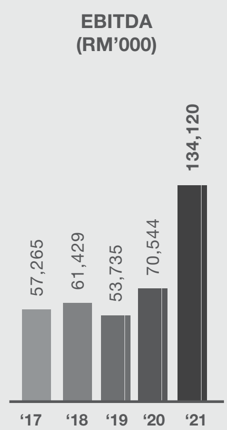
[4] *The effects of Warrants 2021/2028 on the number of ordinary shares for the 18 months financial period ended 31 December 2021 has been adjusted as if these events had occurred on 1 July 2020.*











DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required under paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement explaining their responsibility for preparing the annual audited financial statements.

The Directors are required under the provisions of the Companies Act, 2016 to prepare financial statements for each financial year which gives 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 18 months financial period ended 31 December 2021 on pages 102 to 205 of the printed version of this Annual Report, the Group and the Company have adopted appropriate accounting policies, applied them consistently and supported by reasonable and prudent judgements and estimates. The Directors also consider that all applicable Financial Reporting 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 Group and the Company keep proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to comply with the provisions of the Companies Act, 2016.

The Directors are also responsible for taking such steps that are necessary and reasonable 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 on pages 96 to 101.

This Statement is made in accordance with the resolution of the Board of Directors dated 7 April 2022.

Tan Sri Muhammad Bin Ibrahim
Chairman

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors of **GDEX BERHAD** (formerly known as GD Express Carrier Bhd) have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial period 1 July 2020 to 31 December 2021.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies include mainly in provision of express delivery services, logistics services and property investment.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiary company are disclosed in Note 15 to the financial statements.

CHANGE OF COMPANY'S NAME

The Company has changed its name from GD Express Carrier Bhd to GDEX Berhad with effect from 17 December 2020.

CHANGE OF FINANCIAL YEAR END

During the financial period, the Group and the Company have changed their financial year end from 30 June to 31 December. Accordingly, the financial statements of the Group and of the Company for the current financial period are drawn up for a period of eighteen (18) months from 1 July 2020 to 31 December 2021, whereas comparative amounts are presented for a period of 12 months from 1 July 2019 to 30 June 2020. Therefore, the amounts presented in statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows are not comparable with the amounts presented for comparative year.

DIRECTORS' REPORT
cont'd

RESULTS OF OPERATIONS

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

	The Group RM	The Company RM
Profit before tax	58,179,941	17,175,623
Income tax expense	(15,750,962)	(1,790,498)
Profit for the period	42,428,979	15,385,125
Profit for the period attributed to:		
Owners of the parent	41,462,905	15,385,125
Non-controlling interests	966,074	-
	42,428,979	15,385,125

In the opinion of the directors, the results of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature other than significant event as disclosed in Note 37 to the financial statements.

DIVIDENDS

As mentioned in Note 31 to the financial statements, a first and final tax exempt dividend of 0.20 sen per share amounting to RM11,256,862 which was proposed in the previous financial year and dealt with in the previous directors' report of the directors was paid in cash by the Company during the current financial period.

A first interim tax exempt dividend of 0.20 sen per share amounting to RM11,162,822 was declared and paid during the current financial period.

The directors do not recommend any final dividend payment in respect of the current financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period other than those disclosed in the financial statements.

DIRECTORS' REPORT
cont'd

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the current financial period except for the issuance of warrants 2021/2028 and the details as follows:

WARRANTS 2021/2028

On 12 January 2021, the issue of 703,935,325 free warrants on the basis of 1 free warrant for every 8 ordinary shares held by the entitled shareholders on the entitlement date was completed upon admission of the warrants to the Official List of Bursa and the listing of and quotation for the warrants 2021/2028 on the Main Market of Bursa Malaysia Securities Berhad.

The Warrants 2021/2028 of the Company are constituted by a Deed Poll dated on 10 December 2020.

The salient features of the Warrants 2021/2028 are as follows:

(a) The issue date of the Warrants 2021/2028 is on 12 January 2021 and the expiry date is on 11 January 2028.

(b) The Warrants 2021/2028 can be exercised at any time during the period commencing on and inclusive of the date of issue of the warrants up to and including the expiry date. Any Warrants 2021/2028 not exercised during the exercise period will lapse and cease to be valid.

(c) Each Warrant 2021/2028 entitles the registered holder to subscribe for 1 new ordinary share of the Company at the exercise price fixed at RM0.45 payable in cash at any time during the exercise period and shall be subject to adjustments in accordance with the provision of the Deed Poll.

(d) The new ordinary shares arising from the exercise of the Warrants 2021/2028 shall, upon allotment and issue, rank pari passu with the existing issued ordinary shares of the Company, save and except that they will not be entitled to any right, allotment, dividend and/or any other distribution that may be declared, made or paid before the date of allotment and issue of the new ordinary shares of the Company.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial period to take up unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial period, there were no unissued shares of the Company under options.

TREASURY SHARES

During the financial period, the Company repurchased 56,120,000 of its ordinary shares listed and quoted on the main market of Bursa Malaysia Securities Berhad from the open market at price ranging from RM0.295 to RM0.410 per ordinary share. The total consideration paid, including transaction costs, of RM20,044,469 was financed by internally generated funds. The shares repurchased were held as treasury shares in accordance with Section 127 of the Companies Act, 2016 in Malaysia.

The Company has the right to cancel, resell or distribute the treasury shares as dividends or transfer the treasury shares for the purposes of an employees' share scheme or as purchase consideration at a later date. As treasury shares, the rights attached to voting, dividends and participation in other distribution is suspended. None of the treasury shares repurchased have been sold, cancelled or transferred during the financial period.

The number of ordinary shares as of 31 December 2021 after taking into account the new shares issued and deducting the shares brought back is 5,581,094,535 ordinary shares. Further relevant details are disclosed in Note 24 to the financial statements.

OTHER STATUTORY INFORMATION

Before the financial statements 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 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 be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

(a) which would render the amount written off as 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 would 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 the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT
cont'd

OTHER STATUTORY INFORMATION *cont'd*

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 period which secures the liabilities of any other person; and

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

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 period 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 when they fall due except as disclosed in Note 35 to the financial statements.

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 period and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial period in which this report is made.

DIRECTORS

The directors of the Company in office during the financial period and during the period from the end of the financial period to the date of this report are:

Tan Sri Muhammad bin Ibrahim
Teong Teck Lean
Lim Chee Seong
Lee Kah Hin
Low Ngai Yuen
Chua Put Moy
Hiroshi Etani (Appointed on 1 April 2021)
Dato' Azman bin Mahmud (Appointed on 1 June 2021)
Nuraini binti Ismail (Appointed on 1 January 2022)
Yik Yen Shan, Vincent (Appointed on 11 February 2022)
Shuji Yamauchi (Resigned on 1 April 2021)
Adi Arman bin Abu Osman (Resigned on 1 January 2022)
Lai Tak Loi (Resigned on 10 February 2022)

The directors of the subsidiary companies in office which have not been disclosed above during the financial period and during the period from the end of the financial period to the date of this report are:

Chan Lai Wah
Teong Lynn Tze Rachel
Chong Hui Chuen
Kwok Nguk Mooi
Kong Hwai Meng

DIRECTORS' REPORT
cont'd

DIRECTORS' INTERESTS

The shareholdings and warrants in the Company of those who were directors at the end of the financial period, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	Number of ordinary shares			
	Balance as of 1.7.2020	**Bought**	**Sold**	**Balance as of 31.12.2021**
Shares in the Company				
Direct interest				
Tan Sri Muhammad bin Ibrahim	-	2,100,000	-	2,100,000
Teong Teck Lean	124,315,352	17,640,100	-	141,955,452
Lim Chee Seong	330,000	-	-	330,000
Lee Kah Hin	716,753	-	-	716,753
Shares in the Company				
Indirect interest				
Teong Teck Lean				
Substantial shareholdings				
GD Express Holdings (M) Sdn. Bhd.	1,408,770,556	1,000,000	(24,965,934)	1,384,804,622
GD Holdings International Limited	632,331,693	2,500,000	-	634,831,693
GDEX Foundation	19,990,408	-	-	19,990,408
Teong Teck Lean				
Immediate family member				
Wang Herng Tsuey	12,604,215	-	-	12,604,215

DIRECTORS' REPORT
cont'd

DIRECTORS' INTERESTS *cont'd*

	Number of Warrants 2021/2028 over ordinary shares			
	Balance as of 1.7.2020	Issued	Sold	Balance as of 31.12.2021
Warrants 2021/2028 in the Company				
Direct interest				
Teong Teck Lean	-	29,599,217	-	29,599,217
Chan Lai Wah	-	333,840	(333,840)	-
Lim Chee Seong	-	41,250	-	41,250
Lee Kah Hin	-	89,594	-	89,594
Indirect interest				
Teong Teck Lean				
Substantial shareholding				
GD Express Holdings (M) Sdn. Bhd.	-	259,984,583	-	259,984,583
GD Holdings International Limited	-	79,041,641	-	79,041,641
GDEX Foundation	-	2,498,801	-	2,498,801
Teong Teck Lean				
Immediate family member				
Wang Herng Tsuey	-	1,575,526	-	1,575,526

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 and related companies to the extent the Company has an interest.

The other directors in office at the end of the financial period did not hold shares, nor had beneficial interest in the shares of the Company during and at the end of the financial period.

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 Note 7 to 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 the director is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' REPORT
cont'd

DIRECTORS' BENEFITS *cont'd*

During and at the end of the financial period, 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.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group maintains directors' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for the directors and officers of the Company and of its subsidiary companies. The amount of insurance premium paid during the financial period amounted to RM21,085.

There was no indemnity given to or insurance affected for the auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

SIGNIFICANT EVENT

The details of significant event during the financial period are disclosed in Note 37 to the financial statements.

AUDITORS

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

AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors for the financial period 1 July 2020 to 31 December 2021 is as disclosed in Note 7 to the financial statements.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the directors,

TEONG TECK LEAN

LEE KAH HIN

Petaling Jaya,
7 April 2022

INDEPENDENT AUDITORS' REPORT

to the Members of **GDEX BERHAD**
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **GDEX BERHAD** (formerly known as GD Express Carrier Bhd), which comprise the statements of financial position as of 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period 1 July 2020 to 31 December 2021, and notes to financial statements, including a summary of significant accounting policies, as set out on pages 102 to 205.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2021, and of their financial performance and their cash flows for the financial period 1 July 2020 to 31 December 2021 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT

to the Members of **GDEX BERHAD**
(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	*Our audit performed and responses thereon*
Revenue from express delivery services The Group's revenue is mainly derived from express delivery services rendered with the characteristics of large volume of transactions involving immaterial value individually. For the current financial period, the Group has recorded revenue of approximately RM578 million from express delivery, representing 90.7% of the Group's total revenue. The Group tracks the rendering of express delivery services in its operation systems. Therefore, revenue recognition largely relies on the effectiveness of design, implementation and operation of the internal control relating to operation systems. As there is higher inherent risk of revenue recognition in light of the large volume of express delivery and the involvement of operation systems, we considered the recognition of revenue from express delivery as a key audit matter.	Our audit approach includes both controls testing and substantive procedures as follows: • Performed test on the design and implementation and operating effectiveness of relevant controls surrounding revenue recognition on express delivery services; • Involved our internal information technology specialist in understanding, evaluating and testing of general controls on the operation systems relating to revenue from express delivery; • With respect to the express delivery revenue from credit sales, which accounted for 78.6% of total express delivery revenue, we agreed the credit sales transactions from operation system to accounting system. In addition, we checked, on a sampling basis, the information in proof of delivery against the information of revenue recognised and recorded in the accounting system; and • With respect to the express delivery revenue from other sales streams, we checked, on a sampling basis, the proof of delivery against the revenue recognised and recorded in the accounting system.

INDEPENDENT AUDITORS' REPORT

to the Members of **GDEX BERHAD**
(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Key Audit Matters *cont'd*

Key Audit Matter	*Our audit performed and responses thereon*
Cyber security incident On 14 July 2021, the Company announced that it has activated its Data Recovery and Security Mitigation Plan following a cyber security incident affecting the financial servers of the Company and certain of its subsidiary companies. This incident also disallowed access by users to the Group's financial information system. Consistent with its Security Mitigation Plan, the Group engaged an independent external consultant to review the Group's Information Technology infrastructure and provide solutions to strengthen the system security controls accordingly. This is a key audit matter as there is a risk that the Group's financial system has been accessed and that the integrity of the financial information has therefore been affected. As part of recovery efforts, management have invested significant effort and time to restore and reconstruct their financial information system. Further information concerning this incident has been disclosed in Note 37 to the financial statements.	Our audit procedures to address this area included, among others: • Performed enquiries with management about the remedial and improvement actions plan taken by the Group in addressing the cyber security incident; • Obtained an understanding of the scope and assessed the competency, capabilities and objectivity of the independent consultant engaged by the Group; • Involved our internal cyber security specialist in assessing the adequacy and effectiveness of the security incident remediation actions taken by the Group; • Evaluated the Group's processes and controls over the reconstruction of the data in the financial information system; and • Performed extended audit procedures to check the accuracy and completeness of information prepared by management and reviewed the reconciliation of general ledgers and sub-ledgers as of the end of the financial period.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT

to the Members of **GDEX BERHAD**
(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Information Other than the Financial Statements and Auditors' Report Thereon *cont'd*

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

INDEPENDENT AUDITORS' REPORT

to the Members of **GDEX BERHAD**
(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Auditors' Responsibilities for the Audit of the Financial Statements *cont'd*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

to the Members of **GDEX BERHAD**
(Incorporated in Malaysia)
cont'd

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that the subsidiary companies, of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

KOK PEI LOO
Partner - 03524/08/2022 J
Chartered Accountant

Kuala Lumpur
7 April 2022

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Financial Period 1 July 2020 to 31 December 2021
(with comparative figures for the Financial Year Ended 30 June 2020)

		The Group		The Company	
	Note	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM
Revenue	6	636,936,857	364,009,954	17,802,480	13,891,000
Other operating income	7	13,264,874	9,924,260	8,154,948	8,938,821
Direct costs	7	(164,752,000)	(87,879,389)	-	-
Staff costs	7	(311,242,220)	(184,836,985)	(6,480,312)	(3,886,649)
Depreciation of property, plant and equipment	11	(38,304,908)	(23,056,031)	-	-
Amortisation of right-of-use assets	12	(30,889,728)	(17,685,824)	(24,205)	-
Other operating expenses	7	(47,964,123)	(36,258,475)	(2,276,304)	(3,041,127)
Share of profits of associates	16	7,876,948	5,584,625	-	-
Finance costs	8	(6,745,759)	(6,062,496)	(984)	-
Profit before tax		58,179,941	23,739,639	17,175,623	15,902,045
Income tax expense	9	(15,750,962)	(5,248,609)	(1,790,498)	(1,501,519)
Profit for the period/year		42,428,979	18,491,030	15,385,125	14,400,526

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Financial Period 1 July 2020 to 31 December 2021
(with comparative figures for the Financial Year Ended 30 June 2020)
cont'd

	Note	The Group		The Company	
		Period Ended 31.12.2021 (18 months) RM	**Year Ended 30.6.2020 (12 months) RM**	**Period Ended 31.12.2021 (18 months) RM**	**Year Ended 30.6.2020 (12 months) RM**
Other comprehensive (loss)/income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		(218,524)	803,299	-	-
Items that will not be reclassed subsequently to profit or loss:					
Fair value (loss)/gain on other investment	18	-	-	(25,751,687)	46,298,312
Remeasurement of post-employment benefit obligations	28	(54,941)	(323,774)	(3,369)	4,874
Other comprehensive (loss)/income for the period/year, net of tax		(273,465)	479,525	(25,755,056)	46,303,186
Total comprehensive income/(loss) for the period/year, net of tax		42,155,514	18,970,555	(10,369,931)	60,703,712
Profit/(loss) for the period/year attributable to:					
Owners of the parent		41,462,905	18,534,186	15,385,125	14,400,526
Non-controlling interests		966,074	(43,156)	-	-
		42,428,979	18,491,030	15,385,125	14,400,526
Total comprehensive income/(loss) for the period/year attributable to:					
Owners of the parent		41,189,440	19,013,711	(10,369,931)	60,703,712
Non-controlling interests		966,074	(43,156)	-	-
		42,155,514	18,970,555	(10,369,931)	60,703,712
Earnings per ordinary share:					
Basic (sen)	10	0.73	0.33		
Diluted (sen)	10	0.76	0.33		

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

STATEMENTS OF FINANCIAL POSITION

as of 31 December 2021
(with Comparative Figures as of 30 June 2020)

	Note	The Group		The Company	
		31.12.2021	30.6.2020	31.12.2021	30.6.2020
		RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	121,947,502	114,095,859	-	-
Right-of-use assets	12	85,424,134	97,021,039	290,464	-
Investment properties	14	2,605,000	17,425,000	-	-
Investment in subsidiary companies	15	-	-	56,731,832	56,731,832
Investment in associates	16	41,398,059	35,043,769	8,115,146	8,115,146
Goodwill arising from consolidation	17	3,249,371	3,455,153	-	-
Other investment	18	-	-	50,560,813	76,312,500
Loan to an associate	16	1,000,000	2,050,000	1,000,000	2,050,000
Investment in redeemable convertible preference shares	19	500,000	500,000	500,000	500,000
Total Non-Current Assets		256,124,066	269,590,820	117,198,255	143,709,478
Current Assets					
Inventories - at cost		1,846,765	1,223,100	-	-
Trade receivables	20	64,248,590	72,156,429	-	-
Other receivables, deposits and prepaid expenses	20	24,482,439	23,655,605	176,855	66,300
Amount owing by subsidiary companies	15	-	-	90,162,970	107,541,917
Loan to an associate	16	1,050,000	-	1,050,000	-
Tax recoverable		15,952,220	21,745,968	512,544	123,815
Short term funds	21	93,927,248	78,767,961	93,927,248	78,767,961
Deposits with licensed banks	32	150,323,187	151,077,132	123,984,056	144,073,163
Cash and bank balances	32	29,945,888	37,839,331	836,467	3,260,109
Total Current Assets		381,776,337	386,465,526	310,650,140	333,833,265
Total Assets		637,900,403	656,056,346	427,848,395	477,542,743

STATEMENTS OF FINANCIAL POSITION

as of 31 December 2021
(with Comparative Figures as of 30 June 2020)
cont'd

	Note	The Group		The Company	
		31.12.2021	30.6.2020	31.12.2021	30.6.2020
		RM	RM	RM	RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	23	337,896,408	337,896,408	337,896,408	337,896,408
Treasury shares	24	(20,949,330)	(904,861)	(20,949,330)	(904,861)
Reserves	25	164,958,592	146,188,836	107,278,022	140,067,637
Non-controlling interests		14,418,303	13,246,447	-	-
Total Equity		496,323,973	496,426,830	424,225,100	477,059,184
Non-Current Liabilities					
Hire-purchase payables	26	5,819,227	10,722,224	-	-
Bank borrowings	27	1,582,807	53,715	-	-
Lease liabilities	13	47,843,329	60,055,918	-	-
Provision for retirement benefits	28	827,537	637,712	20,465	15,528
Deferred tax liabilities	29	9,164,712	6,626,808	-	-
Total Non-Current Liabilities		65,237,612	78,096,377	20,465	15,528
Current Liabilities					
Trade payables	30	12,178,765	11,046,552	-	-
Other payables and accrued expenses	30	34,190,079	33,369,694	611,877	468,031
Amount owing to subsidiary company	15	-	-	2,700,000	-
Hire-purchase payables	26	8,723,389	18,811,502	-	-
Bank borrowings	27	683,911	887,815	-	-
Lease liabilities	13	20,207,940	17,154,320	290,953	-
Tax liabilities		354,734	263,256	-	-
Total Current Liabilities		76,338,818	81,533,139	3,602,830	468,031
Total Liabilities		141,576,430	159,629,516	3,623,295	483,559
Total Equity and Liabilities		637,900,403	656,056,346	427,848,395	477,542,743

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

STATEMENTS OF CHANGES IN EQUITY

for the Financial Period 1 July 2020 to 31 December 2021
(with comparative figures for the Financial Year Ended 30 June 2020)

	Note	Share capital	Treasury shares	Non-distributable reserve - Translation reserve	Distributable reserve - Retained earnings	Attributable to the owners of the parent	Non-controlling interests	Total equity
		RM	RM	RM	RM	RM	RM	RM
The Group								
As of 1 July 2019		337,887,802	-	346,010	140,930,580	479,164,392	-	479,164,392
Profit/(Loss) for the year		-	-	-	18,534,186	18,534,186	(43,156)	18,491,030
Other comprehensive income		-	-	803,299	(323,774)	479,525	-	479,525
Total comprehensive income/(loss) for the year		-	-	803,299	18,210,412	19,013,711	(43,156)	18,970,555
Arising from warrants exercised	23(i)(a)	8,606	-	-	-	8,606	-	8,606
Acquisition of subsidiary companies	15	-	-	-	-	-	13,289,603	13,289,603
Shares repurchased	24	-	(904,861)	-	-	(904,861)	-	(904,861)
Dividends	31	-	-	-	(14,101,465)	(14,101,465)	-	(14,101,465)
As of 30 June 2020		337,896,408	(904,861)	1,149,309	145,039,527	483,180,383	13,246,447	496,426,830
As of 1 July 2020		337,896,408	(904,861)	1,149,309	145,039,527	483,180,383	13,246,447	496,426,830
Profit for the period		-	-	-	41,462,905	41,462,905	966,074	42,428,979
Other comprehensive loss		-	-	(218,524)	(54,941)	(273,465)	-	(273,465)
Total comprehensive income/(loss) for the period		-	-	(218,524)	41,407,964	41,189,440	966,074	42,155,514
Re-adjustment of goodwill for acquisition of subsidiary company	17	-	-	-	-	-	205,782	205,782
Shares repurchased	24	-	(20,044,469)	-	-	(20,044,469)	-	(20,044,469)
Dividends	31	-	-	-	(22,419,684)	(22,419,684)	-	(22,419,684)
As of 31 December 2021		337,896,408	(20,949,330)	930,785	164,027,807	481,905,670	14,418,303	496,323,973

STATEMENTS OF CHANGES IN EQUITY

for the Financial Period 1 July 2020 to 31 December 2021
(with comparative figures for the Financial Year Ended 30 June 2020)
cont'd

	Note	Share capital	Treasury shares	Non-distributable reserve - Fair value reserve	Distributable reserve - Retained earnings	Total equity
		RM	RM	RM	RM	RM
The Company						
As of 1 July 2019		337,887,802	-	20,148,563	73,316,827	431,353,192
Profit for the year		-	-	-	14,400,526	14,400,526
Other comprehensive income		-	-	46,298,312	4,874	46,303,186
Total comprehensive income for the year		-	-	46,298,312	14,405,400	60,703,712
Arising from warrants exercised	23(ii)	8,606	-	-	-	8,606
Shares repurchased	24	-	(904,861)	-	-	(904,861)
Dividends	31	-	-	-	(14,101,465)	(14,101,465)
As of 30 June 2020		337,896,408	(904,861)	66,446,875	73,620,762	477,059,184
As of 1 July 2020		337,896,408	(904,861)	66,446,875	73,620,762	477,059,184
Profit for the period		-	-	-	15,385,125	15,385,125
Other comprehensive loss		-	-	(25,751,687)	(3,369)	(25,755,056)
Total comprehensive income/ (loss) for the period		-	-	(25,751,687)	15,381,756	(10,369,931)
Shares repurchased	24	-	(20,044,469)	-	-	(20,044,469)
Dividends	31	-	-	-	(22,419,684)	(22,419,684)
As of 31 December 2021		337,896,408	(20,949,330)	40,695,188	66,582,834	424,225,100

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

STATEMENTS OF CASH FLOWS

for the Financial Period 1 July 2020 to 31 December 2021
(with comparative figures for the Financial Year Ended 30 June 2020)

	The Group		The Company	
	Period ended 31.12.2021 (18 months)	Year ended 30.6.2020 (12 months)	Period ended 31.12.2021 (18 months)	Year ended 30.6.2020 (12 months)
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit for the period/year	42,428,979	18,491,030	15,385,125	14,400,526
Adjustments for:				
Income tax expense	15,750,962	5,248,609	1,790,498	1,501,519
Depreciation of property, plant and equipment	38,304,908	23,056,031	-	-
Interest expense on:				
Hire-purchase	1,456,565	1,793,866	-	-
Lease liabilities	5,116,281	3,970,934	984	-
Bank borrowings	172,913	297,696	-	-
Amortisation of right-of-use assets	30,889,728	17,685,824	24,205	-
Net remeasurement of loss allowances on trade receivables	(763,105)	1,356,115	-	-
Bad debts written off	127,214	324,271	-	-
Gain on disposal of property, plant and equipment	(453,641)	(51,301)	-	-
Property, plant and equipment written off	77,613	345,240	-	-
Gain on lease expiration and modification	(226,487)	-	-	-
Provision for retirement benefits	134,539	31,009	1,568	794
Interest income	(5,949,702)	(7,593,453)	(5,004,816)	(7,263,420)
Dividend income from short term funds	(3,149,890)	(1,675,401)	(3,149,890)	(1,675,401)
Share of profits of associates	(7,876,948)	(5,584,625)	-	-
Fair value loss on investment properties	120,000	600,000	-	-
Dividend income from subsidiary companies	-	-	(11,217,000)	(10,249,000)
Dividend income from an associate	-	-	(576,180)	-
Operating Profit/(Loss) Before Working Capital Changes	116,159,929	58,295,845	(2,745,506)	(3,284,982)
(Increase)/Decrease in:				
Inventories	(623,665)	497,317	-	-
Trade receivables	8,955,294	(4,747,971)	-	-
Other receivables, deposits and prepaid expenses	(826,834)	6,347,202	(110,555)	1,128,232

STATEMENTS OF CASH FLOWS

for the Financial Period 1 July 2020 to 31 December 2021
(with comparative figures for the Financial Year Ended 30 June 2020)
cont'd

	The Group		The Company	
	Period ended 31.12.2021 (18 months)	**Year ended 30.6.2020 (12 months)**	**Period ended 31.12.2021 (18 months)**	**Year ended 30.6.2020 (12 months)**
	RM	**RM**	**RM**	**RM**
Increase/(Decrease) in:				
Trade payables	1,132,213	(622,147)	-	-
Other payables and accrued expenses	920,250	3,582,172	243,711	120,788
Cash Generated From/(Used In) Operations	125,717,187	63,352,418	(2,612,350)	(2,035,962)
Income tax refunded	7,013,020	550,364	-	-
Income tax paid	(14,440,780)	(8,625,045)	(2,279,092)	(1,796,158)
Retirement benefit paid	-	(38,745)	-	(8,500)
Net Cash From/(Used In) Operating Activities	118,289,427	55,238,992	(4,891,442)	(3,840,620)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Interest received	5,949,702	7,593,453	5,004,816	7,263,420
Proceeds from disposal of property, plant and equipment	821,302	196,309	-	-
Decrease in deposits paid for property, plant and equipment	-	782,200	-	-
Dividend income received from an associate	1,522,658	-	576,180	-
Decrease in deposits with licensed banks	22,741,269	86,473,567	30,201,428	86,670,569
Increase in short term funds	(12,009,397)	(64,892,546)	(12,009,397)	(64,892,546)
Additions to property, plant and equipment *	(19,582,635)	(11,478,922)	-	-
Loan to an associate	-	(50,000)	-	(50,000)
Net cash outflow on acquisition of subsidiary companies	-	(6,434,124)	-	(16,745,001)
Investment in an associate (Note 16)	-	(415,146)	-	(415,146)
Incorporation of a subsidiary company	-	-	-	(1,605,130)
Decrease in amount owing by/to subsidiary companies (net)	-	-	31,295,947	1,016,458
Net Cash (Used in)/From Investing Activities	(557,101)	11,774,791	55,068,974	11,242,624

STATEMENTS OF CASH FLOWS

for the Financial Period 1 July 2020 to 31 December 2021
(with comparative figures for the Financial Year Ended 30 June 2020)
cont'd

	The Group		The Company	
	Period ended 31.12.2021 (18 months)	Year ended 30.6.2020 (12 months)	Period ended 31.12.2021 (18 months)	Year ended 30.6.2020 (12 months)
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES				
Proceed for allotment of shares	-	8,606	-	8,606
Consideration paid for shares repurchased	(20,044,469)	(904,861)	(20,044,469)	(904,861)
Payments of hire-purchase payables	(27,390,332)	(21,970,304)	-	-
Payments of lease liabilities - principal	(28,265,009)	(13,820,639)	(23,716)	-
Net drawdown/(repayment) of bank borrowings	1,310,411	(3,018,755)	-	-
Interest expense paid on:				
Hire-purchase payables	(1,456,565)	(1,793,866)	-	-
Lease liabilities	(5,116,281)	(3,970,934)	(984)	-
Bank borrowings	(172,913)	(297,696)	-	-
Dividends paid	(22,419,684)	(14,101,465)	(22,419,684)	(14,101,465)
Net Cash Used In Financing Activities	(103,554,842)	(59,869,914)	(42,488,853)	(14,997,720)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	14,177,484	7,143,869	7,688,679	(7,595,716)
Effect of exchange differences	(83,603)	743,250	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	37,946,628	30,059,509	3,260,109	10,855,825
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR (Note 32)	52,040,509	37,946,628	10,948,788	3,260,109

STATEMENTS OF CASH FLOWS

for the Financial Period 1 July 2020 to 31 December 2021
(with comparative figures for the Financial Year Ended 30 June 2020)
cont'd

* During the financial period/year, the Group acquired property, plant and equipment by the following means:

	The Group	
	Period ended 31.12.2021 (18 months)	**Year ended 30.6.2020 (12 months)**
	RM	**RM**
Purchase of:		
Property, plant and equipment	31,981,857	22,795,752
Financed by:		
Cash payments	19,582,635	11,478,922
Hire-purchase	12,399,222	11,316,830
	31,981,857	22,795,752

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 Main Market of Bursa Malaysia Securities Berhad.

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

The principal activities of the subsidiary companies include mainly provision of express delivery services, logistics services and property investment. The information on the name, place of incorporation, principal activities, and percentage of issue share capital held by the Company in each subsidiary company are disclosed in Note 15.

There has been no significant changes in the nature of the principal activities of the Company and of its other subsidiary companies and associates during the current financial period.

The Company has changed its name from GD Express Carrier Bhd to GDEX Berhad with effect from 17 December 2020.

During the financial period, the Group and the Company have changed their financial year end from 30 June to 31 December. Accordingly, the financial statements of the Group and of the Company for the current financial period are drawn up for a period of eighteen (18) months from 1 July 2020 to 31 December 2021, whereas comparative amounts are presented for a period of 12 months from 1 July 2019 to 30 June 2020. Therefore, the amounts presented in statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows are not comparable with the amounts presented for comparative year.

The Company's registered office is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

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 7 April 2022.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *cont'd*

Adoption of Amendments to MFRSs

In the current financial period, the Group and the Company have adopted the Amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") and effective for the financial period beginning on or after 1 July 2020 as follows:

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 16	COVID-19-Related Rent Concessions
Amendments to References to the Conceptual Framework in MFRS Standards	

The adoption of these Amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and have no significant effect on the financial performance or position of the Group and of the Company.

Standards and Amendments in Issue but Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and Amendments which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

MFRS 17	Insurance Contracts[5]
Amendments to MFRS 3	Reference to the Conceptual Framework[3]
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9[4]
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2[1]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[6]
Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021[2]
Amendments to MFRS 17	Insurance Contracts[5]
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information[5]
Amendments to MFRS 101	Disclosure of Accounting Policies[5]

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *cont'd*

Standards and Amendments in Issue but Not Yet Effective *cont'd*

At the date of authorisation for issue of these financial statements, the new and revised Standards and Amendments which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below: *cont'd*

Amendments to MFRS 101	Classification of Liabilities as Current or Non-current[5]
Amendments to MFRS 108	Definition of Accounting Estimates[5]
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[5]
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use[3]
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract[3]
Amendments to MFRSs	Annual Improvements to MFRSs Standards 2018 - 2020[3]

1 Effective for annual periods beginning on or after 1 January 2021.
2 Effective for annual periods beginning on or after 1 April 2021.
3 Effective for annual periods beginning on or after 1 January 2022.
4 Effective immediately for annual periods beginning before 1 January 2023.
5 Effective for annual periods beginning on or after 1 January 2023.
6 Effective date deferred to a date to be determined and announced by MASB.

The directors anticipate that the abovementioned new and revised Standards and Amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards and Amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost unless otherwise indicated in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Payment*, leasing transactions that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136 *Impairment of Assets*.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Basis of Accounting *cont'd*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Subsidiary Companies and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiary companies. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Subsidiary Companies and Basis of Consolidation *cont'd*

The Group accounts for all changes in its ownership interest in a subsidiary company that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received and paid, is adjusted to or against Group reserves.

Non-controlling interests in subsidiary companies are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets is initially be measured at non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the owners of the Companies and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Investment in subsidiary companies which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

Investment in Subsidiary Companies

Investment in unquoted shares of subsidiary companies, which is eliminated on consolidation, is stated in the Company's financial statements at cost less impairment losses.

Business Combinations

Acquisitions of subsidiary companies and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Business Combinations *cont'd*

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill on Consolidation

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Goodwill on Consolidation *cont'd*

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is not amortised but is reviewed for impairment at least annually. 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 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 a 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.

Revenue

(i) Revenue from contract with customers

Under MFRS 15 *Revenue from Contract with Customers*, the Group and the Company recognise revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- the Group's and the Company's performance create and enhance an asset that the customer controls as the Group and the Company perform; or
- the Group's and the Company's performance does not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to date.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Revenue *cont'd*

(i) Revenue from contract with customers cont'd

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

For contracts that contain more than one performance obligations (to specify), the Group and the Company allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, except for the allocation of discounts and variable consideration.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group and the Company would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group and the Company estimate it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised goods or services to the customer, net of discounts, rebates and compensation in relation to the services performed and to the extent that it is highly probable that a significant reversal will not occur.

The Group recognises revenue when (or as) they transfer control over a good or service to customer. A good or service is transferred when (or as) the customer obtains control over the good or service at a point in time for express delivery and over time for logistics service.

The Group recognises revenue over time using the output method, which is based on the right consideration in an amount that corresponds directly with the value of the Group's performance completed to date, net of sales and service tax, discounts and rebates.

(ii) Rental income

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iv) Interest income

Interest income is recognised using the effective interest method in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Foreign Currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group 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 recognised at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at 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 translated in RM using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period/year, unless exchange rates fluctuated significantly during that period/year, in which case the exchange rate at the dates of the transactions are used. 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 statements of profit and loss and other comprehensive income 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 profit or loss for the period/year.

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

Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Borrowing Costs *cont'd*

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period/year in which they are incurred.

Employee Benefits

(i) Short-Term Employee Benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period/year in which the associated services are rendered by employees of the Group and of the Company.

(ii) Post-Employment Benefits

(a) Defined Contribution Plan

The Group and the Company make contributions to the Employees Provident Fund ("EPF") and contributions are charged to profit or loss. Once the contributions have been paid, there are no further payment obligations. The approved provident fund is a defined contribution plan.

(b) Defined Benefit Plan

The Group and the Company have an unfunded non-contributory defined retirement benefit scheme covering eligible employees.

Provision for retirement benefits is computed at a fixed amount for each year of service of all eligible permanent employees who have served at least one year with the Group and the Company. The Group's and the Company's obligation for the defined benefit plan is recognised based on estimates of the amount payable to the eligible employees upon their retirement as provided by the actuarial estimation of costs and liabilities of Retirement Benefit Scheme of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Leases

(a) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset that may be specified explicitly or implicitly, and should be physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the assets is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermined how and for what purpose it will be used.

At inception or on assessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

(b) Recognition and initial measurement

<u>The Group and the Company as a lessee</u>

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group and the Company uses their incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Leases *cont'd*

(b) Recognition and initial measurement *cont'd*

The Group and the Company as a lessee *cont'd*

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments less any incentives receivables;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price under a purchase option that the Group is reasonably certain to exercise the option; and
- Payments of penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease unless the Company is reasonably certain not to terminate early.

The Group and the Company exclude variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group and the Company recognise the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

(c) Subsequent measurement

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Company change their assessment of whether it will exercise a purchase, extension or termination option.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Income Tax

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

(a) Current Tax

The tax currently payable is based on taxable profit for the period/year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

(b) Deferred Tax

Deferred tax is recognised on temporary 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. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally 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 those deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiary companies and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Income Tax *cont'd*

(b) Deferred Tax *cont'd*

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 and the Company intend to settle its current tax assets and liabilities on a net basis.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Company reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to MFRS 112 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

(c) Current and deferred tax for the period/year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in comprehensive income or directly in equity), in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Investment in Associates

Associate

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Accounting treatment

On acquisition of an investment in associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Investment in Associates *cont'd*

Accounting treatment *cont'd*

An associate is equity accounted for from the date on which the investee becomes an associate unless the Group does not have contractual equity interest over the associate.

Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies MFRS 136 to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

When a Group entity transacts with an associate of the Group, profits or losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

In the Company's separate financial statements, investments in associates are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

Impairment of Non-Financial Assets other than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets other than inventories and deferred tax 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 estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Impairment of Non-Financial Assets other than Goodwill *cont'd*

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 profit or loss.

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 profit or loss.

Property, Plant and Equipment

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

Property, plant and equipment are depreciated using the straight-line method at the following annual rates to write off the cost of these assets over their estimated useful lives:

Leasehold and freehold buildings	2%
Office equipment, furniture and fittings	12.5%
Computer hardware and software	20% - 50%
Tools and equipment	12.5%
Motor vehicles	12.5%
Renovation	20%

Capital-in-progress is not depreciated until it is completed and ready for intended use.

The estimated useful lives, residual values and depreciation method of property, plant and equipment are reviewed at each financial year end, with the effect of any changes in estimates accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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 profit or loss to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Assets held under hire-purchase arrangements are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Investment Properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are based on active market prices, adjusted, if necessary, for any difference in the nature, location or conditions of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair value are included in profit or loss in the period in which they arise.

On the disposal of the investment property, or when it is permanently withdrawn from use and no economic benefits are expected from its disposal, it shall be derecognised (eliminated from the statements of financial position). The difference between the net proceeds and the carrying amount in recognised in profit or loss in the period of the retirement or disposal.

Inventories

Inventories, which consist of consumables, are stated at lower of cost or net realisable value (determined on the 'first-in, first-out' basis). Cost comprises the original cost of purchase plus incidental costs incurred in bringing the inventories to their present location. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

Treasury shares

Shares repurchased by the Company are held as treasury shares and are measured and carried at the cost of purchase. Treasury shares are presented in the financial statements as a set-off against equity.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. Should such shares be re-issued by re-sale in the open market, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity. Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the distributable retained earnings.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial Instruments

(a) Financial assets

Initial recognition and subsequent measurement

Financial assets are classified, at initial recognition, as either:

(i) Financial assets at amortised cost (debt instruments);
(ii) Financial assets at fair value through profit or loss ("FVTPL");
(iii) Financial assets at fair value through other comprehensive income ("FVTOCI") with recycling of cumulative gains and losses (debt instruments); or
(iv) Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group or the Company commit to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. **SIGNIFICANT ACCOUNTING POLICIES** *cont'd*

Financial Instruments *cont'd*

(a) Financial assets cont'd

Financial assets at amortised cost (debt instruments)

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial asset in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets through other comprehensive income (FVTOCI)

Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and for selling the financial assets, where those cash flows represent solely payments of principal and interest ("SPPI"), are measured at FVTOCI. Subsequent to initial recognition, debt instruments are measured at fair value. Changes in the fair value of these assets are recognised in other comprehensive income ("OCI"), except for recognition of interest and foreign exchange gains or losses, which are recognised in profit or loss. On derecognition, gains and losses accumulated are not reclassified to profit or loss.

Financial assets through profit or loss (FVTPL)

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes derivative financial assets. On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in profit or loss.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

(a) Financial assets cont'd

Equity instruments designated as at FVTOCI cont'd

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with MFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the revenue in profit or loss.

The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition (see Note 18).

A financial asset is held for trading if either:

- It has been acquired principally for the purpose of selling it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired.

A financial asset (or, where applicable, a part of a financial asset or part of a Group and a Company of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset; or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

(a) Financial assets cont'd

Derecognition

When the Group and the Company have transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all instruments not held at fair value through profit or loss. ECLs are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group and the Company consider a financial asset in default when contractual payments are past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

(b) Financial liabilities

Initial recognition and subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, or other financial liabilities, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group or the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9 *Financial Instruments*. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gain or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at FVTPL.

Other financial liabilities

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

(b) Financial liabilities cont'd

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of the financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

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 end of each reporting period, 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:

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *cont'd*

(ii) Key sources of estimation uncertainty *cont'd*

Impairment of trade receivables

The Group records impairment losses on its trade receivables using ECL models. The impairment losses computed based on the ECL models requires judgement to ensure impairment losses recorded reflect the credit risk of the Group's trade receivables in accordance with the requirements of MFRS 9. Areas of judgement includes determination of criteria for significant increase in credit risk and selection of appropriate ECL models.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units ("CGUs") to which goodwill has been allocated.

The goodwill is attributable to express delivery operations of Noi Bai Express and Trading Joint Stock Company ("NETCO") as an individual CGU. The value-in-use of express delivery operations requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable pre-tax discount rate in order to calculate the present value of those cash flows in reviewing the goodwill impairment of express delivery operations.

The carrying amount of goodwill as of the end of the reporting period is RM3,249,371 (30.6.2020: RM3,455,153) with no impairment loss recognised during the current financial period.

Fair value measurements and valuation processes

Some of the Group's and the Company's assets are measured at fair value for the financial reporting purposes. The directors use their judgment in selecting and applying an appropriate valuation technique for fair value measurements.

In estimating the fair value of an asset, the Group and the Company use market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group and the Company engaged a third party qualified valuer to perform the valuation. The directors work closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation technique and inputs used in determining the fair value of investment properties are disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. SEGMENT REPORTING

Operating segments

The Group has three operating segments and operates predominantly in Malaysia, Singapore, Vietnam and Indonesia, which are the Group's strategic business units. The strategic business units offer different services and are managed separately because they require different resources management and marketing strategies. The Group has determined the three main operating segments based on reports reviewed by the chief operating decision maker in making its strategic decision.

The following is an analysis of the Group's revenue and results by the operating segments.

	The Group			
	Segment Revenue		Segment Profit/(Loss)	
	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM
Express delivery	577,996,070	337,751,503	50,005,928	24,082,044
Logistics	57,236,518	25,140,718	10,139,534	2,944,322
Property investment	321,194	534,876	(4,292,210)	(3,186,964)
Others	1,383,075	582,857	1,195,500	378,108
Total	636,936,857	364,009,954	57,048,752	24,217,510
Finance costs (Note 8)			(6,745,759)	(6,062,496)
Share of profits of associates			7,876,948	5,584,625
Profit before tax			58,179,941	23,739,639

Revenue shown above represents revenue generated from external customers. All inter-company transactions have been eliminated on consolidation level.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. SEGMENT REPORTING *cont'd*

The following is an analysis of the carrying amount of segment assets and liabilities by the operating segments in which the assets and liabilities are located:

	The Group	
	Carrying Amount Of Segment Assets And Liabilities	
	31.12.2021	30.6.2020
	RM	RM
Segment Assets		
Express delivery	538,938,620	551,999,578
Logistics	34,445,735	32,159,084
Property investment	46,890,876	49,671,535
Others	1,672,952	480,181
	621,948,183	634,310,378
Unallocated assets*		
- Tax recoverable	15,952,220	21,745,968
	637,900,403	656,056,346
Segment Liabilities		
Express delivery	107,397,870	127,596,641
Logistics	23,228,474	24,345,999
Property investment	778,407	784,996
Others	652,233	11,816
	132,056,984	152,739,452
Unallocated liabilities*		
- Tax liabilities	354,734	263,256
- Deferred tax liabilities	9,164,712	6,626,808
	141,576,430	159,629,516

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. SEGMENT REPORTING *cont'd*

	The Group	
	Other Segment Information	
	31.12.2021	30.6.2020
	RM	RM
Other segment information		
Additions to property, plant and equipment		
- Express delivery	28,576,984	21,038,578
- Logistics	2,979,457	830,390
- Property investment	310,787	926,784
- Others	114,629	-
Depreciation		
- Express delivery	34,083,117	20,622,771
- Logistics	1,759,126	1,153,786
- Property investment	2,459,260	1,279,474
- Others	3,405	-
Additions to right-of-use assets		
- Express delivery	15,124,286	38,512,880
- Logistics	6,390,831	1,010,642
- Others	593,669	-
Amortisation of right-of-use assets		
- Express delivery	21,181,096	11,076,387
- Logistics	9,075,163	6,207,135
- Property investment	613,680	402,302
- Others	19,789	-

* For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated directly to reportable segments except for items listed above.

5. SEGMENT REPORTING *cont'd*

Geographical segments

The following is an analysis of the Group's revenue by geographical market:

	The Group Revenue By Geographical Market	
	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM
Malaysia	543,637,193	334,562,791
Singapore	3,353,509	1,890,718
Vietnam	89,946,155	27,556,445
	636,936,857	364,009,954

The following is an analysis of the carrying amount of segment non-current assets by the geographical market in which the assets are located:

	The Group Carrying Amount of Segment Non-Current Assets	
	31.12.2021 RM	30.6.2020 RM
Malaysia	246,788,875	259,967,932
Singapore	188,375	424,867
Vietnam	9,146,816	9,198,021
	256,124,066	269,590,820

NOTES TO THE FINANCIAL STATEMENTS
cont'd

6. REVENUE

	The Group		The Company	
	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)
	RM	RM	RM	RM
Income from provision of services:				
Express delivery	577,996,070	337,751,503	-	-
Logistics	57,236,518	25,140,718	-	-
Insurance agent	1,365,582	582,857	-	-
General trading	17,493	-	-	-
Rental income	321,194	534,876	-	-
Single-tier dividend income from subsidiary company	-	-	11,217,000	10,249,000
Dividend income from an associate	-	-	576,180	-
Management fee	-	-	6,009,300	3,642,000
	636,936,857	364,009,954	17,802,480	13,891,000

Revenue of the Group and of the Company consists of revenue earned from services which is transferred at a point in time and over time, net of discounts, rebates and compensation in relation to the service performed are as follows:

	The Group	
	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)
	RM	RM
Point-in-time		
Express delivery services	577,996,070	337,751,503
Insurance agent services	1,365,582	582,857
General trading	17,493	-
Over time		
Logistics services	57,236,518	25,140,718
Rental income	321,194	534,876
	636,936,857	364,009,954

6. REVENUE *cont'd*

	The Company	
	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)
	RM	RM
Point-in-time		
Single-tier dividend income from subsidiary company	11,217,000	10,249,000
Dividend income from an associate	576,180	-
Over time		
Management fee	6,009,300	3,642,000
	17,802,480	13,891,000

As of the end of reporting period, there are performance obligations that are unsatisfied or partially satisfied as the Group has right to invoice the customer based on the storage space occupied by the customers and volume of goods to be handled by the Group. The transaction price allocated to the unsatisfied performance obligation as of 31 December 2021 is RM2,138,435 (30.6.2020: RM4,308,887). The remaining performance obligations are expected to be recognised within one year.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

Included in direct costs, other operating income/(expenses) and staff costs are the following credits/(charges):

	The Group		The Company	
	Period Ended 31.12.2021 (18 months)	**Year Ended 30.6.2020 (12 months)**	**Period Ended 31.12.2021 (18 months)**	**Year Ended 30.6.2020 (12 months)**
	RM	**RM**	**RM**	**RM**
Interest income:				
Deposits with licensed banks	5,783,035	7,493,453	4,838,149	7,163,420
Others	166,667	100,000	166,667	100,000
Dividend income from short term funds	3,149,890	1,675,401	3,149,890	1,675,401
Direct costs:				
Transportation	(147,305,280)	(78,339,315)	-	-
Warehouse charges	(11,951,899)	(4,175,832)	-	-
Telephone charges	(5,467,394)	(5,364,242)	-	-
Others	(27,427)	-	-	-
Rental expenses of premises	(40,562)	(1,756,587)	-	-
Rental income of warehouse and premises	129,200	115,087	-	-
Tax penalty arising from underprovision of income tax expense in prior years	(99,865)	-	(99,865)	-
Net remeasurement of loss allowances on trade receivables (Note 20)	763,105	(1,356,115)	-	-
Directors' remuneration:				
Fees	(505,500)	(347,880)	(505,500)	(347,880)
Salaries and other emoluments	(1,696,665)	(1,052,810)	(1,696,665)	(1,044,883)
EPF	(125,402)	(94,541)	(125,402)	(94,541)

7. DIRECT COSTS, OTHER OPERATING INCOME/(EXPENSES) AND STAFF COSTS *cont'd*

	The Group		The Company	
	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)
	RM	RM	RM	RM
Auditors' remuneration:				
Statutory audit:				
Auditors of the Company	(252,000)	(221,000)	(154,000)	(182,000)
Other auditors	(137,386)	(97,078)	-	-
Non-audit services:				
Auditors of the Company	(65,000)	(53,000)	(65,000)	(53,000)
Bad debts written off	(127,214)	(324,271)	-	-
Bad debts recovered	1,019	1,138	-	-
Loss on foreign exchange	(46,607)	(87,238)	(8,903)	(95,948)
Gain on disposal of property, plant and equipment	453,641	51,301	-	-
Property, plant and equipment written off	(77,613)	(345,240)	-	-
Provision for retirement benefits (Note 28)	(134,539)	(31,009)	(1,568)	(794)
Fair value loss on investment properties (Note 14)	(120,000)	(600,000)	-	-
Gain on lease termination and modification	226,487	-	-	-
Withholding tax receivable written off	-	(1,045,320)	-	(1,045,320)

Staff costs include salaries, bonuses, contributions to EPF and all other staff related expenses. Contributions to EPF by the Group and the Company during the current financial period amounted to RM26,457,868 and RM495,332 (30.6.2020: RM17,215,456 and RM317,062) respectively.

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

NOTES TO THE FINANCIAL STATEMENTS
cont'd

7. DIRECT COSTS, OTHER OPERATING INCOME/(EXPENSES) AND STAFF COSTS *cont'd*

Compensation of Key Management Personnel

The remuneration of key management personnel, including directors, during the financial period/year is as follows:

	The Group	
	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)
	RM	RM
Short-term employee benefits	2,024,288	1,243,641
Defined contribution plans	170,526	124,400
	2,194,814	1,368,041

Directors' remuneration of the Group and of the Company during the financial period/year is as follows:

	The Group		The Company	
	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)
	RM	RM	RM	RM
Executive Directors:				
Salaries and other emoluments	1,539,515	994,710	1,539,515	986,783
Defined contribution plans	125,402	94,541	125,402	94,541
	1,664,917	1,089,251	1,664,917	1,081,324
Non-Executive Directors:				
Fees	505,500	347,880	505,500	347,880
Other emoluments	157,150	58,100	157,150	58,100
	662,650	405,980	662,650	405,980
	2,327,567	1,495,231	2,327,567	1,487,304

NOTES TO THE FINANCIAL STATEMENTS
cont'd

8. FINANCE COSTS

	The Group		The Company	
	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM
Interest expense on:				
Hire-purchase	1,456,565	1,793,866	-	-
Lease liabilities	5,116,281	3,970,934	984	-
Bank borrowings	172,913	297,696	-	-
	6,745,759	6,062,496	984	-

9. INCOME TAX EXPENSE

	The Group		The Company	
	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM
Estimated tax payable:				
Current year	12,829,643	5,784,366	1,284,928	1,506,674
Under/(Over)provision in prior years	383,478	(900,486)	505,570	(5,155)
	13,213,121	4,883,880	1,790,498	1,501,519
Deferred tax (Note 29):				
Current year	1,841,976	963,176	-	-
Under/(Over)provision in prior years	695,865	(598,447)	-	-
	2,537,841	364,729	-	-
	15,750,962	5,248,609	1,790,498	1,501,519

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INCOME TAX EXPENSE *cont'd*

A reconciliation of income tax expense applicable to profit before tax at the applicable statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	The Group		The Company	
	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM
Profit before tax	58,179,941	23,739,639	17,175,623	15,902,045
Tax at tax rate of 24%	13,963,186	5,697,513	4,122,150	3,816,491
Effect of different tax rates	(121,369)	(36,672)	-	-
Tax effects of:				
Income not taxable	(824,367)	(451,375)	(3,586,395)	(2,861,856)
Expenses not deductible	1,818,562	1,597,963	749,173	552,039
Utilisation of deferred tax assets previously not recognised	(178,715)	(85,638)	-	-
Deferred tax asset not recognised	14,322	25,751	-	-
Under/(Over)provision in prior years:				
Current tax	383,478	(900,486)	505,570	(5,155)
Deferred tax	695,865	(598,447)	-	-
Income tax expense	15,750,962	5,248,609	1,790,498	1,501,519

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INCOME TAX EXPENSE *cont'd*

As mentioned in Note 3, the tax effects of unused tax losses and unabsorbed capital allowances which would give rise to deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unabsorbed capital allowances can be utilised. As of 31 December 2021, the estimated amount of unabsorbed capital allowances and unused tax losses of certain subsidiary companies of the Company, for which the deferred tax assets have not been recognised in the financial statements due to uncertainty of their realisation, is as follows:

	The Group		The Company	
	31.12.2021	30.6.2020	31.12.2021	30.6.2020
	RM	RM	RM	RM
Unused tax losses	1,406,268	1,850,256	-	-
Unabsorbed capital allowances	34,220	275,203	-	-
	1,440,488	2,125,459	-	-

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

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the unused tax losses of certain subsidiary companies of the Company in Malaysia will be imposed with a time limit of utilisation. Any accumulated unused tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment (i.e. from year of assessments 2019 to 2025). Upon expiry of the 7 years, the unused tax losses will be disregarded. For tax losses incurred in subsequent years, it will be allowed to be carried for 7 consecutive years from the respective years of assessment.

The unused tax losses will be disregarded upon expiry of the 7 years are as follows:

The Group

Year of assessment	Year of assessment to be disregarded	31.12.2021	30.6.2020
		RM	RM
2020	2028	5,782	62,404
2021	2029	59,674	-
		65,456	62,404

The unused tax losses amounted to RM1,340,812 (30.6.2020: RM1,787,852) pertaining to a foreign subsidiary company does not have expiry date.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INCOME TAX EXPENSE *cont'd*

On 23 October 2020, a subsidiary company was granted pioneer status for a period of 5 years under income tax (exemption)(No.11) order 2006, Income tax Act 1967 for the Integrated Logistics Services, ILS, as for the expansion projects and activities under E-commerce, E-fulfilment. By virtue of the pioneer status, 70% of the statutory income arising on these activities of the subsidiary company during the financial period will be exempted from income tax. The commencement date of the pioneer status under ILS is yet to be determined by the subsidiary company as the subsidiary company is still clarifying some terms and condition of the pioneer status with Malaysian Investment Development Authority ("MIDA").

10. EARNINGS PER ORDINARY SHARE

Basic

The basic earnings per ordinary share of the Group has been calculated by dividing the Group's profit for the period/year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period/year.

	The Group	
	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM
Profit attributable to owners of the Company	41,462,905	18,534,186
Weighted average number of ordinary shares	5,641,410,835	5,639,935,457
Basic earnings per ordinary share (sen)	0.73	0.33

10. EARNINGS PER ORDINARY SHARE *cont'd*

Diluted

The diluted earnings per share of the Group has been calculated by dividing the Group's profit for the period/year attributable to owners of the Company by the weighted average number of ordinary shares that would have been issued upon full exercise of the outstanding warrants, adjusted by the number of such shares that would have been issued at fair value as follows:

	The Group	
	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM
Profit attributable to owners of the Company	41,462,905	18,534,186
Weighted average number of ordinary shares	5,641,410,835	5,639,935,457
Effect of dilution:		
Warrants	(187,395,186)	-
Adjusted weighted average number of ordinary shares	5,454,015,649	5,639,935,457
Diluted earnings per share (sen)	0.76	0.33

NOTES TO THE FINANCIAL STATEMENTS
cont'd

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Capital -in -progress RM	Leasehold and freehold buildings RM	Office equipment, furniture and fittings RM	Computer hardware and software RM	Tools and equipment RM	Motor vehicles RM	Renovation RM	Total RM
Cost								
As of 1 July 2019	-	13,449,803	15,693,487	13,799,644	13,680,456	123,120,850	19,055,557	198,799,797
Additions	-	-	2,473,687	2,618,018	1,635,932	12,865,956	3,202,159	22,795,752
Acquisition of NETCO	701,029	-	1,570,744	282,986	-	5,795,134	895,439	9,245,332
Disposals	-	-	(75,887)	(220,162)	(21,255)	(4,057,311)	-	(4,374,615)
Written offs	-	-	(191,934)	(123,679)	(11,941)	(361,715)	(6,411)	(695,680)
Exchange differences	19,581	-	44,159	7,969	40	166,433	25,797	263,979
As of 30 June 2020/ 1 July 2020	720,610	13,449,803	19,514,256	16,364,776	15,283,232	137,529,347	23,172,541	226,034,565
Additions	556,848	-	1,974,673	5,047,562	2,550,439	18,369,819	3,482,516	31,981,857
Reclassification	(716,694)	-	1,311,551	716,694	(11,407)	-	(1,300,144)	-
Transfer from investment properties (Note 14)	-	14,700,000	-	-	-	-	-	14,700,000
Disposals	-	-	(36,261)	(138,903)	(24,788)	(2,390,754)	-	(2,590,706)
Written offs	-	-	(235,649)	(149,009)	(17,423)	(262,528)	-	(664,609)
Exchange differences	(3,916)	-	(11,593)	(1,468)	67	(24,248)	(5,877)	(47,035)
As of 31 December 2021	556,848	28,149,803	22,516,977	21,839,652	17,780,120	153,221,636	25,349,036	269,414,072

NOTES TO THE FINANCIAL STATEMENTS
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11. PROPERTY, PLANT AND EQUIPMENT *cont'd*

The Group	Capital -in -progress RM	Leasehold and freehold buildings 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 2019	-	1,411,972	10,349,308	7,401,324	6,360,665	55,086,798	9,552,112	90,162,179
Charge for the year	-	251,275	1,876,345	2,361,736	1,467,997	13,956,177	3,142,501	23,056,031
Acquisition of NETCO	-	-	67,224	69,537	-	2,899,803	-	3,036,564
Disposals	-	-	(46,704)	(209,337)	(13,997)	(3,802,263)	-	(4,072,301)
Written offs	-	-	(141,387)	(20,004)	(6,672)	(175,967)	(6,410)	(350,440)
Exchange differences	-	-	8,335	2,435	13	91,422	4,468	106,673
As of 30 June 2020/ 1 July 2020	-	1,663,247	12,113,121	9,605,691	7,808,006	68,055,970	12,692,671	111,938,706
Charge for the period	-	694,171	3,786,332	4,026,837	2,168,719	22,658,226	4,970,623	38,304,908
Disposals	-	-	(27,917)	(138,493)	(19,972)	(2,036,663)	-	(2,223,045)
Written offs	-	-	(175,625)	(137,487)	(11,362)	(262,522)	-	(586,996)
Reclassification	-	-	194,968	-	-	21,722	(216,690)	-
Exchange differences	-	-	25,861	1,239	(1,293)	7,146	44	32,997
As of 31 December 2021	-	2,357,418	15,916,740	13,357,787	9,944,098	88,443,879	17,446,648	147,466,570
Net Book Value								
As of 31 December 2021	556,848	25,792,385	6,600,237	8,481,865	7,836,022	64,777,757	7,902,388	121,947,502
As of 30 June 2020	720,610	11,786,556	7,401,135	6,759,085	7,475,226	69,473,377	10,479,870	114,095,859

Included in property, plant and equipment of the Group are motor vehicles under hire-purchase and mortgage loans arrangements with net book value of approximately RM47,693,756 (30.6.2020: RM57,407,002) and RM426,623 (30.6.2020: RM577,313) respectively. These motor vehicles have been charged to local licensed banks for hire-purchase and mortgage loans obligations as disclosed in Notes 26 and 27.

Included in the cost of property, plant and equipment of the Group is an amount of RM57,869,065 (30.6.2020: RM43,845,131) representing fully depreciated property, plant and equipment which are still in use by the Group.

NOTES TO THE FINANCIAL STATEMENTS
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12. RIGHT-OF-USE ASSETS

The Group	Long-term Leasehold Land RM	Leased Properties RM	Motor Vehicles RM	Total RM
Cost				
As of 1 July 2019	27,498,182	50,030,864	-	77,529,046
Acquisition of NETCO	-	3,162,542	-	3,162,542
Additions	-	39,523,522	-	39,523,522
Exchange difference	-	90,585	-	90,585
As of 30 June 2020/1 July 2020	27,498,182	92,807,513	-	120,305,695
Additions	-	21,972,656	136,130	22,108,786
Derecognition arising from lease expiration, termination and modification	-	(10,826,829)	-	(10,826,829)
Exchange differences	-	(18,477)	(64)	(18,541)
As of 31 December 2021	27,498,182	103,934,863	136,066	131,569,111
Accumulated Amortisation				
As of 1 July 2019	-	-	-	-
Acquisition of NETCO	-	682,647	-	682,647
Reclassified from prepaid lease payments	4,885,852	-	-	4,885,852
Amortisation charge for the year	551,563	17,134,261	-	17,685,824
Exchange differences	-	30,333	-	30,333
As of 30 June 2020/1 July 2020	5,437,415	17,847,241	-	23,284,656
Amortisation charge for the period	837,572	29,974,088	78,068	30,889,728
Derecognition arising from lease expiration, termination and modification	-	(8,059,521)	-	(8,059,521)
Exchange differences	-	29,566	548	30,114
As of 31 December 2021	6,274,987	39,791,374	78,616	46,144,977
Residual Value				
As of 31 December 2021	21,223,195	64,143,489	57,450	85,424,134
As of 30 June 2020	22,060,767	74,960,272	-	97,021,039

NOTES TO THE FINANCIAL STATEMENTS
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12. RIGHT-OF-USE ASSETS *cont'd*

The Company	Leased Property RM
Cost	
As of 1 July 2019/30 June 2020/1 July 2020	-
Addition	314,669
As of 31 December 2021	314,669
Accumulated Amortisation	
As of 1 July 2019/30 June 2020/1 July 2020	-
Amortisation charge for the period	24,205
As of 31 December 2021	24,205
Residual Value	
As of 31 December 2021	290,464
As of 30 June 2020	-

The Group's right-of-use assets consists of long-term leasehold land, leased properties and motor vehicles. The lease terms for lease properties range from 1 to 9 years (30.6.2020: 2 to 9 years).

The Company's right-of-use asset consists of leased property. The lease term for leased property is 13 months.

The additions of right-of-use assets of RM22,108,786 and RM314,669 for the Group and the Company respectively during the current financial period were made to replace expired contracts either by new leases for identical underlying assets or extended through exercising extension options.

Long-term leasehold land relates to:

(i) Lease of land for the Group's factory building at No. 19, and lease of vacant land at No. 21 for car park purposes, located at Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia for which the cost amounted to RM7,398,658 (30.6.2020: RM7,398,658). These lands were amalgamated under a new land title at Lot No. PT43, Seksyen 20, which was issued on 27 August 2016. The amalgamated leasehold land 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 amalgamated leasehold land is amortised over the period of its remaining lease term of 35 years (30.6.2020: 36 years).

NOTES TO THE FINANCIAL STATEMENTS
cont'd

12. RIGHT-OF-USE ASSETS *cont'd*

Long-term leasehold land relates to: *cont'd*

(ii) Lease of land for the Group's factory building at No. 17 Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia for which the cost amounted to RM16,619,756 (30.6.2020: RM16,619,756). The land for the factory building and office is leased over a period of 99 years expiring on 1 February 2058. 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 37 years (30.6.2020: 38 years).

(iii) Lease of land for the Group's factory building at 8 ½ Mile, Batu Kitang Road, Kuching for which the cost amounted to RM3,479,768 (30.6.2020: RM3,479,768). The land for the factory building and office is leased over a period of 60 years expiring on 23 October 2076. The Group does not have an option to purchase the leasehold land at the expiry of the lease period. The leasehold land is amortised over the period of its remaining lease term of 55 years (30.6.2020: 56 years).

	The Group		The Company	
	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)
	RM	RM	RM	RM
Amount recognised in profit or loss:				
Amortisation of right-of-use assets	30,889,728	17,685,824	24,205	-
Expenses relating to short-term leases (Note 7)	40,562	1,756,587	-	-
Expenses relating to leases of low value assets	317,164	71,520	-	-

NOTES TO THE FINANCIAL STATEMENTS
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13. LEASE LIABILITIES

The maturity analysis of the lease liabilities are as follows:

	The Group		The Company	
	31.12.2021	30.6.2020	31.12.2021	30.6.2020
	RM	RM	RM	RM
Maturity analysis:				
Less than 1 year	22,581,950	20,751,367	296,400	-
1 to 2 years	31,477,677	19,018,058	-	-
2 to 5 years	17,960,325	33,006,157	-	-
More than 5 years	3,478,532	15,572,264	-	-
Undiscounted lease liabilities	75,498,484	88,347,846	296,400	-
Less: Unearned interest	(7,447,215)	(11,137,608)	(5,447)	-
Present value of lease liabilities	68,051,269	77,210,238	290,953	-

The lease liabilities component is analysed as follows:

	The Group		The Company	
	31.12.2021	30.6.2020	31.12.2021	30.6.2020
	RM	RM	RM	RM
Non-current	47,843,329	60,055,918	-	-
Current	20,207,940	17,154,320	290,953	-
	68,051,269	77,210,238	290,953	-

The Group and the Company do not face a significant liquidity risk with regard to their lease liabilities.

	The Group		The Company	
	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)
	RM	RM	RM	RM
Amount recognised in profit or loss:				
Interest expense on lease liabilities (Note 8)	5,116,281	3,970,934	984	-

14. INVESTMENT PROPERTIES

	At fair value		
	Freehold properties	Long-term leasehold property	Total
The Group	RM	RM	RM
As of 1 July 2019	6,525,000	11,500,000	18,025,000
Fair value loss arising from valuation (Note 7)	(200,000)	(400,000)	(600,000)
As of 30 June 2020/1 July 2020	6,325,000	11,100,000	17,425,000
Fair value loss arising from valuation (Note 7)	(120,000)	-	(120,000)
Transfer to property, plant and equipment (Note 11)	(3,600,000)	(11,100,000)	(14,700,000)
As of 31 December 2021	2,605,000	-	2,605,000

During the current financial period, certain investment properties with the fair value of RM14,700,000 have been transferred to property, plant and equipment due to the change in use by management over these properties. The said fair value is deemed as cost of property, plant and equipment on the transfer date.

The following are recognised in profit or loss in respective of investment properties:

The Group	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM
Rental income	321,194	534,876
Direct operating expenses	510,458	323,143

The fair value of the Group's investment properties (freehold properties) as of 31 December 2021 has been arrived at by the directors based, among others, on valuations carried out in December 2021 by an independent firm of professional valuers that is not related to the Group using the comparison method of valuation and current prices in an active market for similar properties or replacement cost method.

As of 31 December 2021, the fair value of the Group's investment properties (freehold properties) is classified as a Level 2 fair value item for the purposes of fair value hierarchy disclosure.

There were no transfers between Level 1 and 2 during the financial period/year.

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	31.12.2021	30.6.2020
	RM	RM
Unquoted shares - at cost:		
At beginning of period/year	59,715,356	41,365,225
Acquisition of subsidiary companies	-	16,745,001
Incorporation of a subsidiary company	-	1,605,130
At end of period/year	59,715,356	59,715,356
Less: Accumulated impairment loss	(2,983,524)	(2,983,524)
Net	56,731,832	56,731,832

Details of the subsidiary companies are as follows:

Name	Country of Incorporation	Proportion of ownership interest and voting power held by the Group 31.12.2021 %	30.6.2020 %	Principal Activities
Direct subsidiary companies				
GD Express Sdn. Bhd.	Malaysia	100	100	Provision of express delivery services
GD Venture (M) Sdn. Bhd.	Malaysia	100	100	Provision of transportation services to related company
GDEX SEA Sdn. Bhd.	Malaysia	100	100	Investment holding
GD Logistics (M) Sdn. Bhd.*	Malaysia	100	100	Logistics operations
GD Facilities & Assets Management Sdn. Bhd.*	Malaysia	100	100	Provision of facilities and assets management services
GD Valueguard Sdn. Bhd.*	Malaysia	100	100	Insurance agent services

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Name	Country of Incorporation	Proportion of ownership interest and voting power held by the Group 31.12.2021 %	30.6.2020 %	Principal Activities
Direct subsidiary companies *Cont'd*				
GD Express (Singapore) Pte. Ltd.*	Singapore	100	100	Provision of express delivery services
GDEX Regional Alliance Pte. Ltd.*	Singapore	100	100	Dormant
PT Gede Advisory Indonesia ("PT Gede") #	Indonesia	100	100	Provision of advisory services
Noi Bai Express and Trading Joint Stock Company ("NETCO") *	Vietnam	50	50	Provision of express delivery services
VIVL Pte. Ltd. *	Singapore	90	90	Provision of advisory services
Indirect subsidiary companies held through GD Logistics (M) Sdn. Bhd.				
GD Secured Solutions Sdn. Bhd.*	Malaysia	100	100	Provision of express delivery services
GD Distribution Services Sdn. Bhd.*	Malaysia	100	100	General trading (2020: logistics services)
GD Customised Solution Sdn. Bhd.*	Malaysia	100	100	Insurance agent services

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Name	Country of Incorporation	Proportion of ownership interest and voting power held by the Group 31.12.2021	30.6.2020	Principal Activities
		%	%	
Indirect subsidiary company held through GD Facilities & Assets Management Sdn. Bhd.				
GDEX Properties Sdn. Bhd. *	Malaysia	100	100	Property investment

* *Audited by auditors other than the auditors of the Company.*
\# *Not required to be audited under respective local statutory requirements.*

Composition of the Group

Information about the composition of the Company's subsidiary companies at the end of the reporting period is as follows:

Principal activities	Place of incorporation and operation	Number of subsidiary companies 31.12.2021	30.6.2020
Express delivery	Malaysia	3	4
	Singapore	3	3
	Vietnam	1	1
	Indonesia	1	1
Insurance agent	Malaysia	2	1
General trading	Malaysia	1	-
Logistics	Malaysia	1	2
Investment holding	Malaysia	1	1
Property investment	Malaysia	2	2
		15	15

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Amount owing by/(to) subsidiary companies, which arose mainly from management fees receivable, dividends receivable, unsecured advances and payments on behalf, is unsecured, interest-free and repayable on demand. Transactions with subsidiary companies are disclosed in Note 22.

(a) Subsidiary companies incorporated

PT Gede Advisory Indonesia

On 26 September 2019, the Company and its wholly owned subsidiary company, namely GDEX SEA Sdn. Bhd. had subscribed 30% and 70% respectively, equivalent to a total of 180,000 new ordinary shares of IDR 100,000 each per share in a subsidiary company in Republic of Indonesia, namely PT Gede Advisory Indonesia ("PT Gede") for a total subscription of IDR18,000,000,000 which equivalent to a total of RM5,350,443 (RM1,605,130 by the Company and RM3,745,313 by GDEX SEA Sdn. Bhd.). The principal activity of PT Gede is of provision of advisory services.

(b) Subsidiaries acquired

Noi Bai Express and Trading Joint Stock Company ("NETCO") and VIVL Pte Ltd ("VIVL")

On 13 February 2019, the Company and 3 Comma Capital Limited Liability Company ("3CC") formed a consortium namely GD Consortium to invest in NETCO, a company incorporated in Vietnam. The principal activity of NETCO is of provision of express delivery and logistics services. The investment was structured as follows:

(i) On 15 October 2019, the Company entered into Share Sale and Purchase Agreement ("SSPA") and Shareholders Agreement ("SA") in relation to the acquisition of NETCO, a company incorporated in Vietnam. The proposed acquisition had been completed on 20 December 2019 in accordance with the terms of the SSPA and the Company had subscribed to a total of 4,428,355 ordinary shares of VND10,000 per share, representing 50% of the total number of ordinary shares of NETCO, for a total consideration of VND76,725,000,000 (equivalent to RM13,745,400). On the same day, 3CC subscribed 20% shareholdings in NETCO.

(ii) On 7 January 2020, 3CC completed the letter of consent, letter of power of attorney and letter of proxy whereby giving its 20% voting rights in NETCO to the Company representative to attend and vote on matters on behalf of 3CC at the Shareholders and Board Meetings. On the next day, the Company completed the Share Sale and Purchase Agreement ("VIVL SSPA") and Shareholders Agreement ("SA") in relation to the acquisition of VIVL, a company incorporated in Singapore, to acquire 90 ordinary shares of SGD1.00 each per share, representing 90% of the total number of ordinary shares of VIVL, for a total consideration of RM2,999,601. The VIVL SSPA is conditional upon the completion of the NETCO acquisition mentioned in (i) above. The intended principal activity of VIVL is provision of advisory services in Vietnam.

15. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

(b) Subsidiaries acquired *cont'd*

Noi Bai Express and Trading Joint Stock Company ("NETCO") and VIVL Pte Ltd ("VIVL") *cont'd*

Management determined that the Company obtained control over NETCO on 7 January 2020 for Group's consolidation in accordance with the requirements of MFRS 10 *Consolidated Financial Statements*. From 20 December 2019 to 31 December 2019, the Group assessed NETCO as an associate.

	Principal activities	Date of acquisition	Proportion of shares acquired	The Group Cash consideration transferred RM
30 June 2020:				
NETCO	Provision of express delivery services	20 December 2019*	50%	13,745,400
VIVL	Provision of advisory services	8 January 2020	90%	2,999,601

* *The Company completed the acquisition on 20 December 2019. The Company considered NETCO as an associate. The share of loss of NETCO from 20 December 2019 to 31 December 2019 amounting to RM130,940.*

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

(b) Subsidiaries acquired *cont'd*

Table below summarised the assets and liabilities assumed at the date of the Company's obtaining control over NETCO.

Assets and liabilities assumed at the date of acquisition

	NETCO and VIVL Total fair value RM
30 June 2020:	
Non-current assets	
Property, plant and equipment (Note 11)	6,208,768
Right-of-use assets (Note 12)	2,479,895
Deferred tax assets	10,546
	8,699,209
Current assets	
Inventories	254,615
Trade receivables (gross: RM17,961,541, allowance for impairment: RM411,564)	17,549,977
Other receivables	8,007,677
Tax recoverable	28,608
Deposits with licensed banks	7,269,604
Cash and bank balances	3,041,273
	36,151,754
Total Assets	44,850,963
Non-current liabilities	
Bank borrowings	122,915
Lease liabilities	1,476,491
	1,599,406

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

(b) Subsidiaries acquired *cont'd*

Assets and liabilities assumed at the date of acquisition *cont'd*

	NETCO and VIVL Total fair value RM
30 June 2020:	
Current liabilities	
Trade payables	8,787,343
Other payables and accrued expenses	3,598,114
Bank borrowings	3,837,370
Tax liabilities	449,279
	16,672,106
Total Liabilities	18,271,512
Fair value of net assets	26,579,451
Goodwill (Note 17)	3,455,153
Non-controlling interest	(13,289,603)
Total consideration paid	16,745,001

Goodwill arising on acquisition

The goodwill is attributable to the express delivery operations of NETCO as an individual CGU.

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

(b) Subsidiaries acquired *cont'd*

Net cash outflow on acquisition of subsidiary companies

	The Group 30.6.2020 RM
Consideration paid in cash	16,745,001
Less: Cash and bank balances acquired	(3,041,273)
Less: Deposits with licensed banks acquired	(7,269,604)
Net cash outflow	6,434,124

Impact of acquisitions on the results of the Group

Included in the Group's revenue and profit or loss for the year ended 30 June 2020 were amounts attributable to the additional business generated by NETCO, a subsidiary company, as follows:

	The Group 1.1.2020 to 30.6.2020* RM
Revenue	27,556,445
Loss for the period	(86,311)

* Management included in the Group's revenue and profit or loss from 1 January 2020 with the consideration that the financial performance for 7 days did not have material impact to the Group.

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Details for non-wholly-owned subsidiary companies that have non-controlling interest

The table below shows details of non-wholly-owned subsidiary companies that have non-controlling interest.

Name of subsidiary company	Proportion of ownership interests held by non-controlling interest		Profit/(Loss) allocated to non-controlling interest		Accumulated non-controlling interest	
	31.12.2021	30.6.2020	31.12.2021	30.6.2020	31.12.2021	30.6.2020
			RM	RM	RM	RM
NETCO	50%	50%	969,903	(43,156)	14,422,132	13,246,447
VIVL	10%	10%	(3,829)	-	(3,829)	-
Total			966,074	(43,156)	14,418,303	13,246,447

Summarised financial information in respect of the subsidiary company that has non-controlling interest is set out as below. The summarised financial information below represents amounts before intragroup eliminations.

NETCO	31.12.2021 RM	30.6.2020 RM
Statement of financial position		
Non-current assets	9,146,816	9,201,157
Current assets	36,773,592	32,773,575
Non-current liabilities	(2,161,660)	(1,867,811)
Current liabilities	(14,286,762)	(12,780,523)
Net Assets	29,471,986	27,326,398
Equity attributable to owners of the Company	15,049,854	14,079,951
Non-controlling interest	14,422,132	13,246,447
	29,471,986	27,326,398

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

NETCO	31.12.2021 RM	30.6.2020 RM
Statement of profit or loss and other comprehensive income		
Revenue	89,946,155	27,556,445
Other operating income	577,777	154,948
Expenses	(88,039,129)	(27,685,092)
Income tax expense	(544,997)	(112,613)
Profit/(Loss) for the period/year	1,939,806	(86,312)
Profit/(Loss) attributable to owners of the Company	969,903	(43,156)
Profit/(Loss) attributable to non-controlling interest	969,903	(43,156)
Profit/(Loss) for the period/year	1,939,806	(86,312)
Statement of cash flows		
Net cash from/(used in):		
Operating activities	16,168,154	2,925,055
Investing activities	(3,928,901)	1,321,300
Financing activities	(3,148,365)	(5,291,279)
Net changes in cash and cash equivalents	9,090,888	(1,044,924)

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

VIVL	31.12.2021 RM	30.6.2020 RM
Statement of financial position		
Current assets	1,792	307
Current liabilities	(40,042)	-
Net liabilities	(38,250)	307
Equity attributable to owners of the Company	(34,421)	307
Non-controlling interest	(3,829)	-
	(38,250)	307
Statement of profit or loss and other comprehensive income		
Expenses	(38,290)	-
Loss for the period/year, representing total comprehensive loss for the period/year	(38,290)	-
Loss attributable to owners of the Company	(34,461)	-
Loss attributable to non-controlling interest	(3,829)	-
Loss for the period/year	(38,290)	-
Statement of cash flows		
Net cash from/(used in):		
Operating activities	(27,986)	-
Investing activities	-	307
Financing activities	28,255	-
Net changes in cash and cash equivalents	269	307

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16. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	31.12.2021	30.6.2020	31.12.2021	30.6.2020
	RM	RM	RM	RM
Unquoted shares - at cost				
At beginning of period/year	34,722,435	34,307,289	8,115,146	7,700,000
Investment in GDComma Resources Joint Stock Company ("GDComma")	-	415,146	-	415,146
At end of period/year	34,722,435	34,722,435	8,115,146	8,115,146
Share of post acquisition reserve				
At beginning of period/year	321,334	(5,263,291)	-	-
Share of profit/(loss) of Web Bytes	369,734	(89,021)	-	-
Share of profit of SAPX	7,495,618	5,895,251	-	-
Less: Dividend income received from SAPX	(1,522,658)	-	-	-
Share of profit/(loss) of GDComma	11,596	(90,665)	-	-
Share of loss of NETCO	-	(130,940)	-	-
At end of period/year	6,675,624	321,334	-	-
Share of net assets	41,398,059	35,043,769	8,115,146	8,115,146

The details of associates are as follows:

Name	Country of incorporation	Proportion of ownership interest/voting rights held by the Group 31.12.2021	Proportion of ownership interest/voting rights held by the Group 30.6.2020	Principal activities
Web Bytes Sdn. Bhd. ("Web Bytes")	Malaysia	32.69%	32.69%	Provision of software solution and other related activities
PT Satria Antaran Prima TBK ("SAPX")	Indonesia	44.50%	44.50%	Provision of express delivery services
GDComma	Vietnam	49.81%	49.81%	Provision of IT outsourcing services

16. INVESTMENT IN ASSOCIATES *cont'd*

Loan to Web Bytes

On 2 November 2019, the Company entered into a Shareholder's Loan Agreement with Web Bytes, the associate of the Company, in which the Company granted Web Bytes a loan of RM2,000,000 with 5% interest per annum for a period of 5 years commencing from the date of the Agreement. Due to the Covid-19 pandemic and as requested by Web Bytes, the Company had agreed and granted Web Bytes to extend the interest payment by another six months. The Directors anticipate that the deferment of the interest payment by Web Bytes will have no material impact on the financial statements of the Group and of the Company. However, the unpaid interest had been included as an asset in the financial statements.

The Company had changed the repayment period of the loan to Web Bytes during the current financial period to monthly basis for a period of 24 months starting January 2022. As of end of the reporting period, there is no indication that the loan to an associate is not recoverable.

The maturity analysis of the loan to an associate is as below:

	The Group and The Company	
	31.12.2021	**30.6.2020**
	RM	**RM**
Non-current	1,000,000	2,050,000
Current	1,050,000	-
	2,050,000	2,050,000

NOTES TO THE FINANCIAL STATEMENTS
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16. INVESTMENT IN ASSOCIATES *cont'd*

Investment in Web Bytes

Summarised financial information of the Web Bytes is set out below. The summarised financial information represents the amount in the financial statements of the associate and not the Group's share of those amounts.

	31.12.2021 RM	30.6.2020 RM
Statement of financial position		
Non-current assets	1,662,649	2,378,002
Current assets	9,747,212	8,033,468
Total assets	11,409,861	10,411,470
Non-current liabilities	(505,928)	-
Current liabilities	(5,894,914)	(6,245,086)
Total liabilities	(6,400,842)	(6,245,086)
Net assets of the associate	5,009,019	4,166,384

	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM
Statement of comprehensive income		
Revenue	25,886,086	12,490,570
Profit/(Loss) for the period/year	1,131,032	(272,320)
Share of profit/(loss) of the associate	369,734	(89,021)

16. INVESTMENT IN ASSOCIATES *cont'd*

Investment in Web Bytes *cont'd*

Reconciliation of the above summarised financial information to the carrying amount of the interest in associate recognised in the consolidated financial statements:

	31.12.2021 RM	30.6.2020 RM
Proportion of net assets of the associate	1,637,448	1,361,991
Goodwill	6,429,508	6,429,508
Other adjustments	94,277	-
	8,161,233	7,791,499

Investment in SAPX

Summarised financial information of SAPX is set out below. The summarised financial information represents the amount in the financial statements of the associate and not the Group's share of those amounts.

	31.12.2021 RM	30.6.2020 RM
Statement of financial position		
Non-current assets	17,917,368	13,021,621
Current assets	55,557,525	46,991,070
Total assets	73,474,893	60,012,691
Non-current liabilities	(6,150,573)	(7,077,214)
Current liabilities	(18,126,751)	(15,564,184)
Total liabilities	(24,277,324)	(22,641,398)
Net assets of the associate	49,197,569	37,371,293

NOTES TO THE FINANCIAL STATEMENTS
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16. INVESTMENT IN ASSOCIATES *cont'd*

Investment in SAPX *cont'd*

	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM
Statement of comprehensive income		
Revenue for the period/year	243,710,237	128,980,643
Profit for the period/year	16,844,085	13,247,755
Share of profit of the associate *	7,495,618	5,895,251

Reconciliation of the above summarised financial information to the carrying amount of the interest in associate recognised in the consolidated financial statements:

	31.12.2021 RM	30.6.2020 RM
Proportion of net assets of the associate	21,892,918	16,630,225
Goodwill	15,458,472	15,458,472
Other adjustments *	(4,507,116)	(4,507,116)
Exchange differences	187,414	(522,853)
	33,031,688	27,058,728

* The other adjustments is recognised to the extent to the unrelated interests in the associate from upstream transaction as a result of redemption of convertible bonds in 2019.

Investment in GDComma

On 14 November 2019, the company and its associate company, namely Web Bytes, acquired 40% and 30% respectively, equivalent to a total of 231,500 and 173,625 ordinary shares of VND10,000 per share, representing 49.81% of the total number of ordinary shares of GDComma, for a total consideration of VND2,315,000,000 (equivalent to approximately RM415,146) and VND1,736,250,000.

GDComma, a company incorporated in Vietnam and its intended business activity is involved in the field of information technology solutions development.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

16. INVESTMENT IN ASSOCIATES *cont'd*

Investment in GDComma *cont'd*

Summarised financial information of GDComma is set out below. The summarised financial information represents the amount in the financial statements of the associate and not the Group's share of those amounts.

	31.12.2021 RM	30.6.2020 RM
Statement of financial position		
Non-current assets	18,248	19,482
Current assets	683,655	699,051
Total assets	701,903	718,533
Current liabilities	(1,830)	(18,291)
Net assets of the associate	700,073	700,242

	Period Ended 31.12.2021 (18 months) RM	Year Ended 30.6.2020 (12 months) RM
Statement of comprehensive income		
Revenue for the period/year	73,361	89,073
Profit/(Loss) for the period/year	23,282	(182,022)
Share of profit/(loss) of the associate	11,596	(90,665)

Reconciliation of the above summarised financial information to the carrying amount of the interest in associate recognised in the consolidated financial statements:

	31.12.2021 RM	30.6.2020 RM
Proportion of net assets of the associate	348,706	348,791
Goodwill	7,461	7,461
Other adjustments	(20,089)	(31,770)
	336,078	324,482

NOTES TO THE FINANCIAL STATEMENTS
cont'd

17. GOODWILL ARISING FROM CONSOLIDATION

	The Group	
	31.12.2021	**30.6.2020**
	RM	**RM**
Cost		
At beginning of period/year	4,801,230	1,346,077
Additions (Note 15)	-	3,455,153
Re-adjustment of goodwill for Purchase Price Allocation of NETCO	(205,782)	-
At end of period/year	4,595,448	4,801,230
Accumulated Impairment Loss		
At beginning and end of period/year	1,346,077	1,346,077
Net Carrying Amount	3,249,371	3,455,153

The carrying amount of goodwill allocated to an individual CGU is as follows:

	The Group	
	31.12.2021	**30.6.2020**
	RM	**RM**
Express delivery operations of NETCO	3,249,371	3,455,153

The recoverable amount of express delivery operations is determined based on 'value-in-use' where management make an estimate of the expected future cash flows from the cash-generating unit covering a five-years period. The key assumptions for the value-in-use calculation include management's expectation on the growth of revenue. The pre-tax discount rate applied to the expected future cash flows is 12.5% (30.6.2020: 8.87%).

The Group has conducted an analysis on the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for express delivery operations to which goodwill is allocated. The directors believe that any reasonably change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable of CGU.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

18. OTHER INVESTMENT

	The Company	
	31.12.2021	30.6.2020
	RM	RM
Quoted shares measured at FVTOCI:		
At beginning of period/year	76,312,500	30,014,188
Fair value (loss)/gain	(25,751,687)	46,298,312
At end of period/year	50,560,813	76,312,500

On 3 October 2018, the Company subscribed to 16.5%, equivalent to 137,500,000 new ordinary shares of IDR100 each at an issue price of IDR250 per share in SAPX for a total consideration of IDR34,375,000,000 (equivalent to approximately RM9.866 million) from the IPO of SAPX.

The Company has irrevocably elected to classify the equity instrument as FVTOCI as they are not held for trading but for medium to long-term strategic purposes.

19. INVESTMENT IN REDEEMABLE CONVERTIBLE PREFERENCE SHARES

	The Group and The Company	
	31.12.2021	30.6.2020
	RM	RM
Financial asset measured at FVTPL:		
At beginning and end of period/year	500,000	500,000

On 23 November 2018, the Company entered into a Subscription Agreement ("A-RCPS Agreement") with ALP Capital Sdn. Bhd. ("ALP Capital") to subscribe for ten tranches of interest bearing Series-A Redeemable Convertible Preference Shares ("A-RCPS"), i.e. 5,000 A-RCPS each tranche over the next five years, at total subscription price of RM5,000,000. On same day, the Company completed the first tranche of A-RCPS subscription. The subscription of subsequent tranches is conditional upon the completion of the preceding tranche and upon the formal written request by the Company after the approval of the Company's Investment Committee.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

19. INVESTMENT IN REDEEMABLE CONVERTIBLE PREFERENCE SHARES *cont'd*

According to the A-RCPS Agreement, the Company is entitled to but not obliged:

(i) to subscribe for such number of ordinary shares, equivalent to the number of ordinary shares which would have been issued upon conversion of all (but not part of) the remaining unsubscribed subscription A-RCPS (as if such A-RCPS were fully subscribed); and/or

(ii) to forthwith convert the number of existing A-RCPS held by the Company into ordinary shares; in accordance with the terms of this A-RCPS Agreement, provided always that the shareholding ratio of the Company upon completion of the (i) and (ii) above shall be no less than 50% equity interests (consisting of ordinary shares) in ALP Capital in accordance with the Shareholders Agreement ("Accelerated Subscription/ Conversion").

The A-RCPS is redeemable at any time by both parties on any occurrence of the following events:

(i) There is a material breach of any of the Warranties and undertakings of ALP Capital in the Investment Contracts,
(ii) The maturity date of 22 November 2023, or
(iii) If for any reason ALP Capital and the Company have irreconcilable differences concerning the interest of the business.

The redemption amount is the total subscription price of the A-RCPS paid together with interest at the following rate:

- 0% per annum on the 1st year,
- 6% per annum on the 2nd year, or
- 8% per annum on the 3rd year onwards,

as the case may be, on the total subscription price of A-RCPS to be redeemed calculated from their respective date of redemption notice, taking into account any dividend paid or bonus shares issued by ALP Capital on the A-RCPS.

The A-RCPS are mandatorily redeemable on 22 November 2023 at their subscription price with the interest rates, if the Company does not choose to exercise its redemption right.

NOTES TO THE FINANCIAL STATEMENTS
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20. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

Trade receivables consist of:

	The Group	
	31.12.2021	**30.6.2020**
	RM	**RM**
Third party receivables	66,693,260	75,402,944
Amount owing by related parties	801,009	1,180,722
	67,494,269	76,583,666
Less: Allowance for impairment	(3,245,679)	(4,427,237)
Net	64,248,590	72,156,429

The currency exposure profile of gross trade receivables is as follows:

	The Group	
	31.12.2021	**30.6.2020**
	RM	**RM**
Ringgit Malaysia	51,995,091	58,094,925
Singapore Dollar	333,921	284,920
Vietnamese Dong	15,165,257	18,203,821
	67,494,269	76,583,666

Trade receivables of the Group represent amounts receivable mainly for the provision of express delivery services and logistics. The credit periods granted to customers range from 3 to 120 days (30.6.2020: 3 to 120 days). No interest is charged on trade receivables.

The Group has applied a simplified approach in calculating loss allowances for trade receivables at an amount equal to lifetime ECL. The Group estimated the loss allowance on trade receivables by applying an ECL rate at end of each reporting period. The ECL rate is computed based on estimated irrecoverable amounts determined by reference to past default experience of the Group and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

20. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES *cont'd*

Trade receivables include amounts (see below for aged analysis) that are past due at the end of the reporting period but against which the Group has not recognised an allowance for impairment because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over trade receivables balances.

The movement of allowance for impairment during the financial period/year is as follows:

	The Group	
	31.12.2021	**30.6.2020**
	RM	**RM**
At beginning of period/year	4,427,237	2,639,710
Acquisition of NETCO (Note 15)	-	411,564
Re-adjustment of purchase price acquisition for NETCO	(411,564)	-
Net remeasurement of loss allowances (Note 7)	(763,105)	1,356,115
Exchange differences	(6,889)	19,848
At end of period/year	3,245,679	4,427,237

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period.

	The Group	
	Gross trade receivables	**Lifetime ECL**
	RM	**RM**
31 December 2021		
Not past due and impaired:		
1 to 120 days	64,501,510	1,144,069
Past due and impaired:		
120 to 150 days	489,737	122,291
150 to 365 days	485,006	347,883
More than 365 days	2,018,016	1,631,436
	67,494,269	3,245,679

NOTES TO THE FINANCIAL STATEMENTS
cont'd

20. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES *cont'd*

	The Group	
	Gross trade receivables	Lifetime ECL
	RM	RM
30 June 2020		
Not past due and impaired:		
1 to 120 days	66,144,431	959,210
Past due and impaired:		
120 to 150 days	5,831,981	548,707
150 to 365 days	1,846,919	925,867
More than 365 days	2,760,335	1,993,453
	76,583,666	4,427,237

Other receivables, deposits and prepaid expenses consist of:

	The Group		The Company	
	31.12.2021	30.6.2020	31.12.2021	30.6.2020
	RM	RM	RM	RM
Other receivables	4,227,698	3,475,739	16,666	11,340
Refundable deposits	11,007,275	9,458,222	4,730	200
Prepaid expenses	8,505,653	9,438,376	154,663	53,964
Goods and Services Tax receivable	65,028	65,028	796	796
Deferred expenses	676,785	1,218,240	-	-
	24,482,439	23,655,605	176,855	66,300

Other receivables balance are neither past due nor impaired as of the end of the reporting period. As of end of reporting period, there is no indication that the other receivables are not recoverable.

Included in refundable deposits is deposits paid in relation to purchase of motor vehicles of RMNil (30.6.2020: RM224,267) and rental and utilities deposit for branches of RM4,234,114 (30.6.2020: RM3,851,597).

Included in prepaid expenses is insurance and road tax for the motor vehicles and deposit for hire purchase agreement that will be net off against the final instalment of the hire purchase agreement.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

20. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES *cont'd*

The currency exposure profile of other receivables is as follows:

	The Group		The Company	
	31.12.2021	30.6.2020	31.12.2021	30.6.2020
	RM	RM	RM	RM
Ringgit Malaysia	1,769,569	636,590	16,666	11,340
Singapore Dollar	84,886	51,388	-	-
Vietnamese Dong	2,373,243	2,787,761	-	-
	4,227,698	3,475,739	16,666	11,340

21. SHORT TERM FUNDS

	The Group and The Company	
	31.12.2021	30.6.2020
	RM	RM
Financial assets measured at FVTPL:		
Investment in money market funds - at fair value	93,927,248	78,767,961

22. RELATED PARTY TRANSACTIONS

The related party and its relationship with the Company is as follows:

Name of related party	Relationship
Yamato Asia Pte. Ltd.	A substantial shareholder of GDEX Berhad.
Yamato Transport (M) Sdn. Bhd.	A subsidiary of substantial shareholder of GDEX Berhad.
Yamato Holdings Co., Ltd	A subsidiary of substantial shareholder of GDEX Berhad.
Yamato Transport Co., Ltd	A subsidiary of substantial shareholder of GDEX Berhad.
Singapore Post Limited	A substantial shareholder of GDEX Berhad.
Quantium Solutions International (Malaysia) Sdn. Bhd.	A subsidiary of substantial shareholder of GDEX Berhad.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

22. RELATED PARTY TRANSACTIONS *cont'd*

During the financial period/year, significant related company or party transactions undertaken based on agreed terms are as follows:

	The Group		The Company	
	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)
	RM	RM	RM	RM
With related party,				
Yamato Asia Pte. Ltd.				
Advisory fees	-	(95,000)	-	(95,000)
Yamato Holdings Co., Ltd				
Advisory fees	(90,000)	(25,000)	(90,000)	(25,000)
Yamato Transport Co., Ltd				
Advisory fees	(90,000)	-	(90,000)	-
Yamato Transport (M) Sdn. Bhd.				
Express delivery fee	42,024	538,464	-	-
Singapore Post Limited				
Express delivery fee	1,124,244	23,951	-	-
Quantium Solutions International (Malaysia) Sdn. Bhd.				
Express delivery fee	6,951,955	2,885,963	-	-
With subsidiary companies,				
GD Venture (M) Sdn. Bhd.				
Management fee	-	-	514,190	790,500
GD Express Sdn. Bhd.				
Management fee	-	-	4,154,675	1,527,960
Dividends	-	-	9,617,000	9,145,000

NOTES TO THE FINANCIAL STATEMENTS
cont'd

22. RELATED PARTY TRANSACTIONS *cont'd*

	The Group		The Company	
	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)	Period Ended 31.12.2021 (18 months)	Year Ended 30.6.2020 (12 months)
	RM	RM	RM	RM
With subsidiary companies, *cont'd*				
GD Facilities & Assets Management Sdn. Bhd.				
Management fee	-	-	279,830	413,040
GD Valueguard Sdn. Bhd.				
Management fee	-	-	280,417	182,100
GD Logistics Sdn. Bhd.				
Management fee	-	-	780,188	728,400
Dividends	-	-	1,600,000	1,104,000
With associate,				
Web Bytes Sdn. Bhd.				
Software development fee	(61,066)	-	-	-
Interest income	166,667	100,000	166,667	100,000
PT Satria Antara Prima TBK				
Dividend income	-	-	576,180	-

23. SHARE CAPITAL

	Note	The Group and the Company			
		Number of ordinary shares		Value	
		31.12.2021	30.6.2020	31.12.2021 RM	30.6.2020 RM
Issued and fully paid:					
At beginning of period/year		5,641,410,835	5,641,388,335	337,896,408	337,887,802
- Warrants 2015/2020 exercised	23(i)(a)	-	22,500	-	8,606
At end of period/year		5,641,410,835	5,641,410,835	337,896,408	337,896,408

(i) Ordinary Shares

In prior financial year, the Company increased its issued and paid-up share capital from RM337,887,802, comprising 5,641,388,335 ordinary shares, to RM337,896,408, comprising 5,641,410,835 ordinary shares, as follows:

(a) Exercise of Warrants 2015/2020

Issuance of 22,500 new ordinary shares pursuant to the exercise of 22,500 Warrants 2015/2020 at the exercise price of RM0.3825 per warrant in prior financial year. The amount of RM8,606 credited directly to the Company's share capital.

(ii) Warrants 2015/2020

On 12 February 2015, the issue of 179,154,934 free warrants on the basis of 1 free warrant for every 5 ordinary shares held by the entitled shareholders on the entitlement date was completed upon admission of the warrants to the Official List of Bursa and the listing of and quotation for the warrants 2015/2020 on the Main Market of Bursa Malaysia Securities Berhad.

The Warrants 2015/2020 of the Company are constituted by a Deed Poll dated on 20 January 2015.

The salient features of the Warrants 2015/2020 are as follows:

(a) The issue date of the Warrants 2015/2020 is on 12 February 2015 and the expiry date is on 11 February 2020.

(b) The Warrants 2015/2020 can be exercised at any time during the period commencing on and inclusive of the date of issue of the warrants up to and including the expiry date. Any Warrants 2015/2020 not exercised during the exercise period will lapse and cease to be valid.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

23. SHARE CAPITAL *cont'd*

(ii) Warrants 2015/2020 *cont'd*

(c) Each Warrant 2015/2020 entitles the registered holder to subscribe for 1 new ordinary share of the Company at the exercise price at any time during the exercise period and shall be subject to adjustments in accordance with the provision of the Deed Poll. The exercise price is fixed at RM1.53 based on a premium of up to 10% to the five-day volume weighted average market price prior to the price fixing date.

(d) The new ordinary shares arising from the exercise of the Warrants 2015/2020 shall, upon allotment and issue, rank pari passu with the existing issued ordinary shares of the Company, save and except that they will not be entitled to any right, allotment, dividend and/or any other distribution that may be declared, made or paid before the date of allotment and issue of the new ordinary shares of the Company.

(e) During the financial year ended 30 June 2019, as a result of the bonus issue exercise, an additional 530,898,999 number of Warrants 2015/2020 adjustment was made in accordance with the provisions under the Deed Poll constituting the Warrants dated 20 January 2015. Consequentially, the exercise price of Warrants 2015/2020 was revised on 13 June 2017 from RM1.5300 to RM0.3825.

The Warrants 2015/2020 had expired and lapsed in prior financial year, and the movement is as follows:

	Number of warrants 2015/2020 30.6.2020
At beginning of year	706,030,568
Exercised during the year	(22,500)
Expired and lapsed on 11 February 2020	(706,008,068)
At end of year	-

23. SHARE CAPITAL *cont'd*

(iii) Warrants 2021/2028

On 12 January 2021, the issue of 703,935,325 free warrants on the basis of 1 free warrant for every 8 ordinary shares held by the entitled shareholders on the entitlement date was completed upon admission of the warrants to the Official List of Bursa and the listing of and quotation for the warrants 2021/2028 on the Main Market of Bursa Malaysia Securities Berhad.

The Warrants 2021/2028 of the Company are constituted by a Deed Poll dated on 10 December 2020.

The salient features of the Warrants 2021/2028 are as follows:

(a) The issue date of the Warrants 2021/2028 is on 12 January 2021 and the expiry date is on 11 January 2028.

(b) The Warrants 2021/2028 can be exercised at any time during the period commencing on and inclusive of the date of issue of the warrants up to and including the expiry date. Any Warrants 2021/2028 not exercised during the exercise period will lapse and cease to be valid.

(c) Each Warrant 2021/2028 entitles the registered holder to subscribe for 1 new ordinary share of the Company at the exercise price fixed at RM0.45 payable in cash at any time during the exercise period and shall be subject to adjustments in accordance with the provision of the Deed Poll.

(d) The new ordinary shares arising from the exercise of the Warrants 2021/2028 shall, upon allotment and issue, rank pari passu with the existing issued ordinary shares of the Company, save and except that they will not be entitled to any right, allotment, dividend and/or any other distribution that may be declared, made or paid before the date of allotment and issue of the new ordinary shares of the Company.

The movement in the Company's Warrants 2021/2028 during the financial period is as follows:

	Number of Warrants 2021/2028
	31.12.2021
At beginning of period	-
Issued during the period	703,935,325
Exercised during period	-
At end of period	703,935,325

NOTES TO THE FINANCIAL STATEMENTS
cont'd

24. TREASURY SHARES

The shareholders of the Company, by a resolution passed at an Annual General Meeting held on 5 December 2019, had granted an approval to the Company to buy back its own shares of up to 10% of the issued and paid-up share capital of the Company.

During the current financial period, the Company repurchased its issued ordinary shares from the open market as summarised below:

	Number of shares	Total consideration RM	Purchase price per share Highest RM	Lowest RM	Average RM
Share repurchased during the current financial period:					
August 2020	2,000,000	741,873	0.375	0.365	0.371
September 2020	410,000	135,689	0.335	0.320	0.331
October 2020	985,100	338,034	0.350	0.335	0.343
December 2020	3,324,900	1,334,639	0.410	0.390	0.401
January 2021	2,398,300	922,298	0.400	0.365	0.385
March 2021	14,793,800	5,407,498	0.375	0.360	0.366
April 2021	7,751,900	2,936,095	0.380	0.365	0.379
May 2021	4,458,100	1,673,914	0.390	0.355	0.375
June 2021	3,779,200	1,396,627	0.370	0.365	0.370
July 2021	1,938,400	663,857	0.350	0.325	0.342
September 2021	2,525,800	770,975	0.315	0.295	0.305
October 2021	3,952,100	1,273,978	0.325	0.300	0.322
November 2021	7,802,400	2,448,992	0.320	0.310	0.314
Balance as of 31 December 2021	56,120,000	20,044,469	0.410	0.295	0.357

24. TREASURY SHARES *cont'd*

During the prior financial year, the Company repurchased its issued ordinary shares from the open market as summarised below:

	Number of shares	Total consideration RM	Purchase price per share Highest RM	Lowest RM	Average RM
Share repurchased during the prior financial year:					
January 2020	800,000	224,601	0.280	0.280	0.280
February 2020	1,500,000	345,850	0.205	0.240	0.231
March 2020	1,896,300	334,410	0.150	0.195	0.176
Balance as of 30 June 2020	4,196,300	904,861	0.360	0.355	0.216

The total consideration paid, including transaction costs, of RM20,044,469 (30.6.2020: RM904,861) was financed by internally generated funds. The shares repurchased were held as treasury shares in accordance with Section 127 of the Companies Act, 2016 in Malaysia.

The Company has the right to cancel, resell or distribute the treasury shares as dividends or transfer the treasury shares for the purposes of an employees' share scheme or as purchase consideration at a later date. As treasury shares, the rights attached to voting, dividends and participation in other distribution is suspended. None of the treasury shares repurchased had been sold or cancelled during the financial period/year.

25. RESERVES

	The Group 31.12.2021 RM	The Group 30.6.2020 RM	The Company 31.12.2021 RM	The Company 30.6.2020 RM
Non-distributable:				
Translation reserve	930,785	1,149,309	-	-
Fair value reserve	-	-	40,695,188	66,446,875
	930,785	1,149,309	40,695,188	66,446,875
Distributable:				
Retained earnings	164,027,807	145,039,527	66,582,834	73,620,762
	164,958,592	146,188,836	107,278,022	140,067,637

NOTES TO THE FINANCIAL STATEMENTS
cont'd

25. RESERVES *cont'd*

Translation reserve

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

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investment designated at fair value through other comprehensive income until the investment is derecognised or impaired.

Retained earnings

The entire retained earnings of the Company are available for distribution of dividend under the single-tier income tax system.

26. HIRE-PURCHASE PAYABLES

	The Group	
	31.12.2021	**30.6.2020**
	RM	**RM**
Total outstanding	15,136,273	30,749,571
Less: Interest-in-suspense	(593,657)	(1,215,845)
Principal outstanding	14,542,616	29,533,726
Less: Amount due within 12 months (shown under current liabilities)	(8,723,389)	(18,811,502)
Non-current portion	5,819,227	10,722,224

The non-current portion is repayable as follows:

	The Group	
	31.12.2021	**30.6.2020**
	RM	**RM**
Within 1 - 2 years	4,973,430	9,187,569
Within 3 - 5 years	845,797	1,534,655
	5,819,227	10,722,224

The interest rates implicit in these hire-purchase obligations ranges from 2.10% to 5.60% (30.6.2020: 2.30% to 5.99%) per annum. The hire-purchase payables are secured by a charge over the property, plant and equipment under hire-purchase as disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS
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27. BANK BORROWINGS

	The Group	
	31.12.2021	**30.6.2020**
	RM	**RM**
Non-current		
Mortgage loans (secured)	1,582,807	53,715
Current		
Mortgage loans (secured)	683,911	778,623
Term loans (unsecured)	-	109,192
	683,911	887,815
	2,266,718	941,530

The mortgage loans bear interest at rates ranging from 8.5% to 10.0% (30.6.2020: 10.0% to 10.7%) per annum for a tenure of 3 years (30.6.2020: 2 years) from the date of the first disbursement of the mortgage loan. The mortgage loans are secured by way of legal charge over motor vehicles.

The term loans bears interest rate at 16.9% per annum in prior financial year for a tenure of 4 months from the date of the first disbursement of the term loan. The term loans were granted to the Group for working capital purpose.

The currency exposure profile for bank borrowings is in Vietnamese Dong.

28. PROVISION FOR RETIREMENT BENEFITS

	The Group		The Company	
	31.12.2021	**30.6.2020**	**31.12.2021**	**30.6.2020**
	RM	**RM**	**RM**	**RM**
At beginning of period/year	637,712	321,314	15,528	28,108
Charge to profit or loss (Note 7)	134,539	31,009	1,568	794
Benefit paid	-	(38,745)	-	(8,500)
Remeasurements of post-employment benefit obligations	54,941	323,774	3,369	(4,874)
Exchange difference	345	360	-	-
At end of period/year	827,537	637,712	20,465	15,528

NOTES TO THE FINANCIAL STATEMENTS
cont'd

28. PROVISION FOR RETIREMENT BENEFITS *cont'd*

The most recent actuarial valuation of the defined benefit plan was carried out on 30 September 2021 by Nicholas Actuarial Solutions Sdn Bhd., independent qualified actuaries. Under this scheme, eligible employees on attainment of retirement age of 60, are entitled to a one-time payment of retirement benefits, which is computed based on a fixed amount for each year of the employee's completed service with the Group and the Company as provided by the actuarial estimation of costs and liabilities of Retirement Benefit Scheme of the Group and of the Company.

The principal assumptions used in calculating the provision for retirement benefits are as follows:

	The Group		**The Company**	
	31.12.2021	**30.6.2020**	**31.12.2021**	**30.6.2020**
Discount rate	4.49%	4.37%	4.49%	4.37%
Monthly average staff turnover rate	6.00%	5.00%	6.00%	5.00%

Barring any unforeseen circumstances, the management believes that no reasonable change in the above assumptions would cause the amount of provision to be materially affected. Thus, no sensitivity analysis is disclosed.

29. DEFERRED TAX LIABILITIES

	The Group	
	31.12.2021	**30.6.2020**
	RM	**RM**
At beginning of period/year	(6,626,808)	(6,272,790)
Acquisition of NETCO	-	10,546
Exchange differences	(63)	165
(Charge)/Credit to profit or loss (Note 9):		
Property, plant and equipment	(2,397,064)	(1,611,999)
Timing differences between right-of-use assets and lease liabilities	497,925	277,817
Investment properties	102,500	-
Trade receivables	(231,130)	183,452
Prepaid expenses	(3,073)	(7,575)
Deferred expenses	(155,870)	-
Provision for retirement benefits	30,923	131,415
Deferred revenue	(228,531)	480,804
Accrued staff costs	2,521	(2,521)
Unabsorbed capital allowances	(156,042)	183,878
	(2,537,841)	(364,729)
At end of period/year	(9,164,712)	(6,626,808)

29. DEFERRED TAX LIABILITIES *cont'd*

Deferred tax liabilities provided in the financial statements are in respect of the tax effects of the following:

	The Group	
	31.12.2021	30.6.2020
	RM	RM
Deferred tax assets (before offsetting):		
Temporary differences arising from:		
Timing differences between right-of-use assets and lease liabilities	775,742	277,817
Trade receivables	582,891	814,021
Provision for retirement benefits	167,076	136,153
Deferred revenue	513,224	741,755
Prepaid expenses	-	3,136
Unabsorbed capital allowances	259,836	415,878
	2,298,769	2,388,760
Offsetting	(2,298,769)	(2,388,760)
Deferred tax assets (after offsetting)	-	-
Deferred tax liabilities (before offsetting):		
Temporary differences arising from:		
Property, plant and equipment	(11,307,611)	(8,910,547)
Investment properties	-	(102,500)
Deferred expenses	(155,870)	-
Accrued staff costs	-	(2,521)
	(11,463,481)	(9,015,568)
Offsetting	2,298,769	2,388,760
Deferred tax liabilities (after offsetting)	(9,164,712)	(6,626,808)

NOTES TO THE FINANCIAL STATEMENTS
cont'd

30. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade payables comprise mainly amounts outstanding for services rendered by suppliers and rental of trucks provided by the business partner of a subsidiary company. The average credit period granted to the Group is 30 days to 120 days (30.6.2020: 30 to 120 days).

The currency exposure profile of trade payables is as follows:

	The Group	
	31.12.2021	**30.6.2020**
	RM	**RM**
Ringgit Malaysia	3,717,124	3,836,579
Singapore Dollar	19,610	34,175
Vietnamese Dong	8,442,031	7,175,798
	12,178,765	11,046,552

Other payables and accrued expenses consist of:

	The Group		The Company	
	31.12.2021	**30.6.2020**	**31.12.2021**	**30.6.2020**
	RM	**RM**	**RM**	**RM**
Other payables	9,859,385	7,996,710	391,303	348,984
Accrued expenses	6,308,909	7,186,053	31,964	28,144
Accrued staff costs	9,688,690	6,823,637	188,610	90,903
Sales and Service Tax payable	6,194,660	7,054,407	-	-
Deferred revenue	2,138,435	4,308,887	-	-
	34,190,079	33,369,694	611,877	468,031

30. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES *cont'd*

The currency exposure profile of other payables is as follows:

	The Group		The Company	
	31.12.2021	30.6.2020	31.12.2021	30.6.2020
	RM	RM	RM	RM
Ringgit Malaysia	9,510,448	7,195,963	391,303	348,984
Singapore Dollar	20,419	8,726	-	-
Indonesian Rupiah	14	1,018	-	-
Vietnamese Dong	328,504	791,003	-	-
	9,859,385	7,996,710	391,303	348,984

31. DIVIDENDS

	The Group and The Company	
	31.12.2021	30.6.2020
	RM	RM
In respect of financial period ended 31 December 2021:		
First interim tax exempt dividend of 0.20 sen per share:		
Cash	11,162,822	-
In respect of financial year ended 30 June 2020:		
First final tax exempt dividend of 0.20 sen per share:		
Cash	11,256,862	-
In respect of financial year ended 30 June 2019:		
First final tax exempt dividend of 0.25 sen per share:		
Cash	-	14,101,465
	22,419,684	14,101,465

A first and final tax exempt dividend of 0.20 sen per share amounting to RM11,256,862 which was proposed in the previous financial year and dealt with in the previous report of the directors was paid in cash by the Company during the current financial period.

A first interim tax exempt dividend of 0.20 sen per share amounting to RM11,162,822 was declared and paid in the current financial period.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

32. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	31.12.2021	30.6.2020	31.12.2021	30.6.2020
	RM	RM	RM	RM
Deposits with licensed banks	150,323,187	151,077,132	123,984,056	144,073,163
Cash and bank balances	29,945,888	37,839,331	836,467	3,260,109
	180,269,075	188,916,463	124,820,523	147,333,272
Less: Non cash and cash equivalents:				
Deposits with licensed banks with maturity term more than 3 months	(128,228,566)	(150,969,835)	(113,871,735)	(144,073,163)
	52,040,509	37,946,628	10,948,788	3,260,109

Deposits with licensed banks earn interest at rates ranging from 1.30% to 5.20% (30.6.2020: 2.50% to 4.40%) per annum. Deposits with licensed banks of the Group and of the Company have an average maturity term of 1 to 12 months (30.6.2020: 1 to 12 months).

Cash Held on Behalf of Customer from Cash on Delivery Service

As of 31 December 2021, cash held on behalf of customers from cash on delivery service amounting to RM2,855,687 (30.6.2020: RM8,691,708). These cash held on behalf of customers do not form part of the Group's cash and cash equivalents.

The currency exposure profile of cash and bank balances and deposits with the licensed banks are as follows:

	The Group		The Company	
	31.12.2021	30.6.2020	31.12.2021	30.6.2020
	RM	RM	RM	RM
Ringgit Malaysia	153,701,234	178,146,918	124,481,967	147,333,272
United States Dollar	342,627	-	338,547	-
Singapore Dollar	1,866,498	1,881,314	-	-
Indonesian Rupiah	5,284,180	5,440,599	-	-
Vietnamese Dong	19,074,536	3,447,632	9	-
	180,269,075	188,916,463	124,820,523	147,333,272

33. FINANCIAL INSTRUMENTS

Capital Risk Management

The objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balance. The Group's overall strategy remains unchanged during the current financial period.

The capital structure of the Group consists of debt (as disclosed in Notes 13, 26 and 27) and equity (as disclosed in Notes 23, 24 and 25).

Gearing Ratio

The gearing ratio of the Group at the end of the reporting period is as follows:

	The Group	
	31.12.2021	**30.6.2020**
	RM	**RM**
Debt	84,860,603	107,685,494
Equity	496,323,973	496,426,830
Debt to equity ratio (%)	17.10	21.69

Debt consists of hire-purchase payables, bank borrowings and lease liabilities.

Significant Accounting Policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS
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33. FINANCIAL INSTRUMENTS *cont'd*

Categories of Financial Instruments

	The Group		The Company	
	31.12.2021	**30.6.2020**	**31.12.2021**	**30.6.2020**
	RM	**RM**	**RM**	**RM**
Financial assets				
Financial assets measured at amortised cost:				
Loan to an associate	2,050,000	2,050,000	2,050,000	2,050,000
Trade receivables	64,248,590	72,156,429	-	-
Other receivables and refundable deposits (Note 20)	15,234,973	12,933,961	21,396	11,540
Amount owing by subsidiary companies	-	-	90,162,970	107,541,917
Deposits with licensed banks	150,323,187	151,077,132	123,984,056	144,073,163
Cash and bank balances	29,945,888	37,839,331	836,467	3,260,109
Financial assets measured at FVTPL:				
Investment in redeemable convertible preference shares	500,000	500,000	500,000	500,000
Short term funds	93,927,248	78,767,961	93,927,248	78,767,961
Financial asset measured at FVTOCI:				
Other investment	-	-	50,560,813	76,312,500
Financial liabilities				
Other financial liabilities:				
Trade payables	12,178,765	11,046,552	-	-
Other payables and accrued expenses (Note 30)	25,856,984	22,006,400	611,877	468,031
Amount owing to subsidiary company	-	-	2,700,000	-
Hire-purchase payables (Note 26)	14,542,616	29,533,726	-	-
Bank borrowings	2,266,718	941,530	-	-
Lease liabilities (Note 13)	68,051,269	77,210,238	290,953	-

Financial Risk Management Objectives

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

33. FINANCIAL INSTRUMENTS *cont'd*

Credit Risk Management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligations. The Group is exposed to credit risk mainly from trade receivables, other receivables and refundable deposits; whereas the Company's exposure to credit risk mainly from intercompany indebtedness.

The Group's and the Company's credit risk on deposits with licensed banks and cash and bank balances are limited as the Group and the Company place their fund with credit worthy financial institutions.

The Group does not have significant credit risk exposure to any single counterparty, other than the largest customer of the Group. Concentration of credit risk related to this customer did not exceed 15% of gross monetary assets at any time during the financial period/year. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the financial period/year.

The carrying amount of financial assets recognised in the financial statements represents the Group's and the Company's maximum exposure to credit risk without taking into account collateral or other credit enhancements held.

In addition, the Company is exposed to credit risk in relation to financial guarantee given by banks provided to the subsidiary companies. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on as disclosed in Note 35.

Credit quality analysis

The Group uses two categories of trade receivables to determine the allowance for impairment for each category based on their credit risk.

A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	Group's definition of category
Lifetime ECL	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are from 1 to 365 days.
Credit Impaired	Interest and/or principal repayments are more than 365 days.

The Group accounts for its credit risk by appropriately providing for ECL on a timely basis. In calculating the ECL rates, the Group considers historical loss rates for each category of trade receivables.

NOTES TO THE FINANCIAL STATEMENTS
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33. FINANCIAL INSTRUMENTS *cont'd*

The Group provides for credit losses as follow:

Group internal credit rating	Credit quality by days past due	Basis for recognition of ECL provision	Gross carrying amount RM	Gross carrying amount (net of impairment provision) RM
31.12.2021				
Lifetime ECL	1 to 365	Lifetime ECL	65,476,253	63,862,010
Credit impaired	More than 365	Credit impaired	2,018,016	386,580
30.6.2020				
Lifetime ECL	1 to 365	Lifetime ECL	73,823,331	71,389,547
Credit impaired	More than 365	Credit impaired	2,760,335	766,882

There are no significant changes to estimation technique or assumption made during the financial period/year.

Market Price Risk Management

The Group and the Company are exposed to market price risks rising from equity investments and investment in short term funds.

Equity investment in a listed entity (Note 18) and investment in redeemable convertible preference shares (Note 19) are held for strategic rather than trading purposes. The Group and the Company do not actively trade these investments.

Short term funds represent investment in money market funds are held for trading purposes.

Market Price Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to market price risks at the end of the reporting date. If equity price has been 10% higher/lower, the net profit for the financial period 1 July 2020 to 31 December 2021 of the Group and of the Company would increase/decrease by RM9,442,725 (30.6.2020: RM7,926,796) and RM14,498,806 (30.6.2020: RM15,558,046) respectively as a result of the changes in fair value of the investments in a listed entity and short term funds.

The methods and assumptions used in preparing the sensitivity analysis above have not changed significantly from the prior year.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

33. FINANCIAL INSTRUMENTS *cont'd*

Cash Flow Risk Management

The Group and the Company review their cash flow position regularly to manage their exposure to fluctuations in future cash flows associated with their monetary financial instruments.

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's and the Company's short, medium and long-term funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

The Group	Weighted average effective interest rate per annum (%)	Less than 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM	Total RM
31.12.2021						
Financial liabilities						
Non-interest bearing:						
Trade payables		12,178,765	-	-	-	12,178,765
Other payables and accrued expenses		25,856,984	-	-	-	25,856,984
Interest bearing:						
Hire-purchase payables	4.95	9,231,613	5,146,516	758,144	-	15,136,273
Lease liabilities	4.15	22,581,950	31,477,677	17,960,325	3,478,532	75,498,484
Bank borrowings	17.80	683,911	1,582,807	-	-	2,266,718
		70,533,223	38,207,000	18,718,469	3,478,532	130,937,224

NOTES TO THE FINANCIAL STATEMENTS
cont'd

33. FINANCIAL INSTRUMENTS *cont'd*

Liquidity Risk Management *cont'd*

The Group	Weighted average effective interest rate per annum (%)	Less than 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM	Total RM
30.6.2020						
Financial liabilities						
Non-interest bearing:						
Trade payables		11,046,552	-	-	-	11,046,552
Other payables and accrued expenses		22,006,400	-	-	-	22,006,400
Interest bearing:						
Hire-purchase payables	5.32	19,758,108	9,517,820	1,473,643	-	30,749,571
Lease liabilities	5.76	20,751,367	19,018,058	33,006,157	15,572,264	88,347,846
Bank borrowings	13.54	887,815	53,715	-	-	941,530
		74,450,242	28,589,593	34,479,800	15,572,264	153,091,899

	The Company Less than 1 year 31.12.2021 RM	30.6.2020 RM
Financial liabilities		
Non-interest bearing:		
Other payables and accrued expenses	611,877	468,031
Amount owing to subsidiary company	2,700,000	-
Financial guarantee contract not recognised	61,500,000	123,000,000

33. FINANCIAL INSTRUMENTS *cont'd*

Fair Values

The carrying amounts of deposits with licensed banks, cash and bank balances, trade receivables, other receivables and refundable deposits, trade payables, other payables and accrued expenses of the Group approximate their fair values because of the short maturity period of these instruments.

The carrying amounts of deposits with licensed banks, cash and bank balances, other receivables and refundable deposits, other payables and accrued expenses, inter-company indebtedness and financial guarantee contracts of the Company approximate their fair values because of the short maturity period of these instruments.

The fair values of the short-term funds of the Group and of the Company are measured at fair value in the statements of financial position as of the end of the reporting period using Level 2 inputs for the purpose of fair value hierarchy in accordance with the generally accepted pricing model based on the net asset value of the unit trust fund.

The fair values of the other investment of the Company is measured at fair value in the statement of financial position as of the end of the reporting period using Level 1 inputs for the purpose of fair value hierarchy based on the market value of the quoted investment.

The fair values of loan to an associate, hire-purchase payables and bank borrowings are estimated using discounted cash flow analysis based on current borrowing rates for similar type of borrowing/financing arrangements (Level 2 inputs), as follows:

	The Group			
	31.12.2021		30.6.2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM	RM	RM	RM
Financial Asset				
Loan to an associate	2,050,000	1,859,401	2,050,000	1,996,862
Financial Liabilities				
Hire-purchase payables	14,542,616	14,038,368	29,533,726	28,633,842
Bank borrowings	2,266,718	1,739,771	941,530	808,711

NOTES TO THE FINANCIAL STATEMENTS
cont'd

34. CAPITAL COMMITMENTS

	The Group	
	31.12.2021	30.6.2020
	RM	RM
Approved and contracted for:		
Purchase of motor vehicles	4,657,162	3,564,442
Purchase of tools and equipment	417,502	4,689
Renovation of office buildings/warehouse	692,990	24,499
Purchase of technology system	67,630	696,432
	5,835,284	4,290,062

35. CONTINGENT LIABILITIES - UNSECURED

	The Company	
	31.12.2021	30.6.2020
	RM	RM
Corporate guarantee given to a bank for banking facilities granted to subsidiary companies	61,500,000	123,000,000

The total amount of corporate guarantees provided by the Company to financial institutions for the banking facilities granted to subsidiary companies amounted to RM61,500,000 (30.6.2020: RM123,000,000). The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary companies' borrowings in view of the securities pledged by the subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS
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36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statements of cash flows as cash flows from/(used in) financing activities:

	Hire-purchase payables (Note 26)	
	31.12.2021	**30.6.2020**
The Group	**RM**	**RM**
At beginning of period/year	29,533,726	40,187,200
Repayments of hire purchase - principal	(27,390,332)	(21,970,304)
New hire purchase agreements	12,399,222	11,316,830
Interest expense incurred (Note 8)	1,456,565	1,793,866
Interest expense paid	(1,456,565)	(1,793,866)
At end of period/year	14,542,616	29,533,726

	Bank borrowings (Note 27)	
	31.12.2021	**30.6.2020**
The Group	**RM**	**RM**
At beginning of period/year	941,530	-
Acquisition of NETCO	-	3,960,285
Net drawdown of bank loans/(repayments made)	1,310,411	(3,018,755)
Interest expense incurred (Note 8)	172,913	297,696
Interest expense paid	(172,913)	(297,696)
Exchange differences	14,777	-
At end of period/year	2,266,718	941,530

NOTES TO THE FINANCIAL STATEMENTS
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36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES *cont'd*

	Lease liabilities (Note 13)			
	The Group		The Company	
	31.12.2021	30.6.2020	31.12.2021	30.6.2020
	RM	RM	RM	RM
At beginning of period/year	77,210,238	50,030,864	-	-
Additions to right-of-use assets	22,108,786	39,523,522	314,669	-
Derecognition arising from lease expiration, termination and modification	(2,767,308)	-	-	-
Gain on lease termination and modification	(226,487)	-	-	-
Acquisition of NETCO	-	1,476,491	-	-
Payments of lease liabilities - principal	(28,265,009)	(13,820,639)	(24,700)	-
Interest expense incurred (Note 8)	5,116,281	3,970,934	984	-
Interest expense paid	(5,116,281)	(3,970,934)	-	-
Exchange differences	(8,951)	-	-	-
At end of period/year	68,051,269	77,210,238	290,953	-

37. SIGNIFICANT EVENT

As announced on 14 July 2021, the Group has activated its Data Recovery and Security Mitigation Plan following a cyber security incident. This incident had affected the financial servers of the Company and certain of its subsidiary companies, in which the Group's financial data was encrypted and resulted in inability to access the Group's financial information system.

Based on investigations, there has been no financial impact reported nor leakage of confidential information, including customers data. All systems are operating without disruption.

Management has reported the incident to the Malaysian Communications and Multimedia Commission and lodged a police report. Besides, the Group has engaged an independent external consultant as part of its Security Mitigation Plan to review the current Information Technology infrastructure and strengthen the system security controls accordingly.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

38. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures in prior year's statements of profit or loss and other comprehensive income as shown below have been reclassified to enhance comparability with current year's presentation. As a result, certain line items have been amended on the face of the statements of profit or loss and other comprehensive income. The items reclassified were as follows:

	As previously stated	Reclassifications	As reclassified
	RM	**RM**	**RM**
The Group			
Statements of profit or loss and other comprehensive income for the financial year ended 30 June 2020			
Direct costs	(82,515,146)	(5,364,243)	(87,879,389)
Other operating expenses	(41,622,718)	5,364,243	(36,258,475)
The Company			
Statements of profit or loss and other comprehensive income for the financial year ended 30 June 2020			
Revenue	10,249,000	3,642,000	13,891,000
Other operating income	12,580,821	(3,642,000)	8,938,821

STATEMENT BY DIRECTORS

The directors of **GDEX BERHAD** (formerly known as GD Express Carrier Bhd) state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2021 and of the financial performance and the cash flows of the Group and of the Company for the financial period 1 July 2020 to 31 December 2021.

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

TEONG TECK LEAN

LEE KAH HIN

Petaling Jaya,
7 April 2022

DECLARATION BY THE DIRECTOR

Primarily Responsible for the Financial Management of the Company

I, **LIM CHEE SEONG**, the director primarily responsible for the financial management of **GDEX BERHAD** (formerly known as GD Express Carrier Bhd), do solemnly and sincerely declare that the accompanying financial statements together with the notes thereto are, to the best of my knowledge and belief, 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.

LIM CHEE SEONG
(MIA membership number 30345)

Subscribed and solemnly declared by the
abovenamed **LIM CHEE SEONG** at
PETALING JAYA on this 7th day of April, 2022.

Before me,

CHIN CHIA MAN
NO. B449
COMMISSIONER FOR OATHS

ANALYSIS OF SHAREHOLDINGS

as at 5 April 2022

Total number of Issued Shares	:	5,641,410,835
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per Ordinary Share

ANALYSIS BY SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Issued Capital
1 – 99	473	2.92	14,767	0.00
100 – 1,000	1,924	11.86	1,030,985	0.02
1,001 – 10,000	7,048	43.45	41,219,257	0.74
10,001 – 100,000	5,845	36.03	197,319,156	3.54
100,001 – 281,705,476 [1]	927	5.71	1,538,017,737	27.56
281,705,477 and above [2]	5	0.03	3,802,492,633	68.14
TOTAL	**16,222**	**100.00**	**5,580,094,535** #	**100.00**

Notes:

[1] *Less than 5% of issued shares.*
[2] *5% and above of issued shares.*
Excluding a total of 61,316,300 shares bought back by the Company and retained as treasury shares.

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS

No.	Name of Shareholders/Depositors	No. of Shares	%#
1.	MAYBANK NOMINEES (ASING) SDN BHD NOMURA SINGAPORE LIMITED FOR YAMATO ASIA PTE LTD (683567)	1,287,938,501	23.08
2.	GD EXPRESS HOLDINGS (M) SDN BHD	718,230,283	12.87
3.	AFFIN HWANG NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR SINGAPORE POST LIMITED	680,072,053	12.19
4.	GD EXPRESS HOLDINGS (M) SDN BHD	666,574,339	11.95
5.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO LTD (SINGAPORE BCH)	449,677,457	8.06
6.	GD HOLDINGS INTERNATIONAL LIMITED	115,359,314	2.07
7.	DING MEI SIANG	92,951,920	1.67

ANALYSIS OF SHAREHOLDINGS

as at 5 April 2022
cont'd

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS *cont'd*

No.	Name of Shareholders/Depositors	No. of Shares	%#
8.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	74,395,632	1.33
9.	CIMB GROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS-PB)	71,794,922	1.29
10.	TEONG TECK LEAN	65,269,665	1.17
11.	AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS VICKERS SECURITIES (SINGAPORE) PTE LTD (CLIENTS)	61,710,223	1.11
12.	LAU WING TAT	58,839,555	1.05
13.	LOI SIEW HOONG	55,369,393	0.99
14.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	49,416,301	0.89
15.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	41,074,000	0.74
16.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	40,382,692	0.72
17.	AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	40,330,061	0.72
18.	KONG HWAI MING	29,498,953	0.53
19.	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD FOR TEONG TECK LEAN (6186-1501)	29,381,624	0.53
20.	TEE CHERN JYU	23,968,229	0.43
21.	LEONG CHEE TONG	22,656,916	0.41
22.	GDEX FOUNDATION	19,990,408	0.36
23.	AFFIN HWANG NOMINEES (ASING) SDN BHD PHILLIP SECURITIES PTE LTD FOR LAU CHEN HONG	18,574,278	0.33
24.	TEONG TECK LEAN	18,424,621	0.33
25.	CHAN MOON FOOK	16,914,597	0.30
26.	AGNES CHAN WAI CHING	15,134,328	0.27
27.	CHIN CHEE SUE	14,492,804	0.26
28.	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR LGT BANK AG (FOREIGN)	13,788,993	0.25
29.	WANG HERNG TSUEY	12,604,215	0.23
30.	TEONG TECK LEAN	12,148,238	0.22
	TOTAL	**4,816,964,515**	**86.35**

ANALYSIS OF SHAREHOLDINGS
as at 5 April 2022
cont'd

DIRECTORS' SHAREHOLDINGS AS AT 5 APRIL 2022

	Direct Interest		Indirect Interest	
Name of Directors	**No. of Shares**	**% of Issued Capital#**	**No. of Shares**	**% of Issued Capital#**
TAN SRI MUHAMMAD BIN IBRAHIM	2,200,000	0.04	-	-
TEONG TECK LEAN	142,955,452	2.56	2,054,230,938 [a]	36.81
LIM CHEE SEONG	330,000	0.01	-	-
LEE KAH HIN	716,753	0.01	-	-
CHUA PUT MOY	-	-	-	-
LOW NGAI YUEN	-	-	-	-
HIROSHI ETANI	-	-	-	-
DATO' AZMAN BIN MAHMUD	-	-	-	-
NURAINI BINTI ISMAIL	-	-	-	-
YIK YEN SHAN, VINCENT	-	-	-	-

Notes:

[a] *Deemed interested by virtue of: (i) his shareholdings held through GD Express Holdings (M) Sdn Bhd, GD Holdings International Limited and GDEX Foundation; and (ii) his spouse's direct shareholding in the Company.*

\# *Excluding a total of 61,316,300 shares bought back by the Company and retained as treasury shares.*

ANALYSIS OF SHAREHOLDINGS

as at 5 April 2022
cont'd

SUBSTANTIAL SHAREHOLDERS AS AT 5 APRIL 2022

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	**No. of Shares**	**% of Issued Capital#**	**No. of Shares**	**% of Issued Capital#**
TEONG TECK LEAN	142,955,452	2.56	2,054,230,938 [a]	36.81
GD EXPRESS HOLDINGS (M) SDN BHD	1,384,804,622	24.82	-	-
GD HOLDINGS INTERNATIONAL LIMITED	636,831,693	11.41	-	-
SINGAPORE POST LIMITED	680,072,053	12.19	-	-
SINGAPORE TELECOMMUNICATIONS LIMITED	-	-	680,072,053 [b]	12.19
TEMASEK HOLDINGS (PRIVATE) LIMITED	-	-	680,072,053 [c]	12.19
YAMATO ASIA PTE LTD	1,287,938,501	23.08	-	-
YAMATO HOLDINGS CO., LTD	-	-	1,278,938,501 [d]	23.08

Notes:

[a] *Deemed interested by virtue of: (i) his shareholdings held through GD Express Holdings (M) Sdn Bhd, GD Holdings International Limited and GDEX Foundation; and (ii) his spouse's direct shareholding in the Company.*

[b] *Deemed interested by virtue of its substantial shareholding in Singapore Post Limited.*

[c] *Deemed interested by virtue of its substantial shareholding in Singapore Telecommunications Limited, which is held through Singapore Post Limited.*

[d] *Deemed interested by virtue of its substantial shareholding in Yamato Asia Pte Ltd.*

\# *Excluding a total of 61,316,300 shares bought back by the Company and retained as treasury shares.*

ANALYSIS OF WARRANTS C HOLDINGS

as at 5 April 2022

Total number of Outstanding Warrants C	:	703,935,325 Warrants C
Issue Date	:	5 January 2021
Expiry date	:	4 January 2028
Exercise price per Warrant C		RM0.4500

ANALYSIS OF WARRANTS C HOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Issued Warrants C
1 – 99	3,270	23.73	125,846	0.02
100 – 1,000	4,494	32.61	1,990,891	0.28
1,001 – 10,000	4,763	34.56	14,217,411	2.02
10,001 – 100,000	1,015	7.37	31,656,180	4.50
100,001 – 35,196,766 [1]	235	1.70	178,758,420	25.39
35,196,767 and above [2]	4	0.03	477,186,577	67.79
TOTAL	**13,781**	**100.00**	**703,935,325**	**100.00**

Notes:

[1] *Less than 5% of issued Warrants C.*
[2] *5% and above of issued Warrants C.*

LIST OF TOP 30 WARRANTS C HOLDERS

No.	Name of Warrants C Holders	No. of Warrants C	%
1.	GD EXPRESS HOLDINGS (M) SDN BHD	170,205,798	24.18
2.	MAYBANK NOMINEES (ASING) SDN BHD NOMURA SINGAPORE LIMITED FOR YAMATO ASIA PTE LTD (683567)	160,992,312	22.87
3.	GD EXPRESS HOLDINGS (M) SDN BHD	89,778,785	12.75
4.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	56,209,682	7.99
5.	GD HOLDINGS INTERNATIONAL LIMITED	14,419,914	2.05
6.	DING MEI SIANG	11,618,990	1.65
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR TEONG TECK LEAN (PW-M00797) (421083)	10,500,000	1.49

ANALYSIS OF WARRANTS C HOLDINGS

as at 5 April 2022
cont'd

LIST OF TOP 30 WARRANTS C HOLDERS *cont'd*

No.	Name of Warrants C Holders	No. of Warrants C	%
8.	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS-PB)	8,411,865	1.20
9.	TEONG TECK LEAN	7,822,308	1.11
10.	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD FOR TEONG TECK LEAN (6186-1501)	6,232,503	0.89
11.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	5,047,836	0.72
12.	LEE KAR LEONG	3,570,000	0.51
13.	LOI SIEW HOONG	3,473,724	0.49
14.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	3,412,005	0.49
15.	TEE CHERN JYU	3,308,591	0.47
16.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE CHUAN (7007197)	3,000,000	0.43
17.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHOON KHONG	2,511,000	0.36
18.	GDEX FOUNDATION	2,498,801	0.36
19.	TEONG TECK LEAN	2,303,077	0.33
20.	PACIFIC & ORIENT INSURANCE CO BERHAD	2,000,000	0.28
21.	CHIN CHEE SUE	1,811,600	0.26
22.	DING AH DIEH @ DING PIK CING	1,757,300	0.25
23.	CARTABAN NOMINEES (ASING) SDN BHD] EXEMPT AN FOR LGT BANK AG (FOREIGN)	1,723,624	0.25
24.	LEE YUEN SHANG	1,678,068	0.24
25.	TAN SIEW HONG	1,600,000	0.23
26.	WANG HERNG TSUEY	1,575,526	0.22
27.	TEONG TECK LEAN	1,518,529	0.22
28.	CHAN NOA	1,500,000	0.21
29.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (HONGKONG BRANCH)	1,488,916	0.21
30.	AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS VICKERS SECURITIES (SINGAPORE) PTE LTD (CLIENTS)	1,391,447	0.20
	TOTAL	**583,362,201**	**82.91**

ANALYSIS OF WARRANTS C HOLDINGS

as at 5 April 2022
cont'd

DIRECTORS' WARRANTS C HOLDINGS AS AT 5 APRIL 2022

Name of Directors	Direct Interest No. of Warrants C	Direct Interest % of Warrants C	Indirect Interest No. of Warrants C	Indirect Interest % of Warrants C
TAN SRI MUHAMMAD BIN IBRAHIM	-	-	-	-
TEONG TECK LEAN	29,599,217	4.21	343,100,371 [a]	48.74
LIM CHEE SEONG	41,250	0.01	-	-
LEE KAH HIN	89,594	0.01	-	-
CHUA PUT MOY	-	-	-	-
LOW NGAI YUEN	-	-	-	-
HIROSHI ETANI	-	-	-	-
DATO' AZMAN BIN MAHMUD	-	-	-	-
NURAINI BINTI ISMAIL	-	-	-	-
YIK YEN SHAN, VINCENT	-	-	-	-

Note:-

[a] *Deemed interested by virtue of: (i) his shareholdings held through GD Express Holdings (M) Sdn Bhd, GD Holdings International Limited and GDEX Foundation; and (ii) his spouse's direct shareholding in the Company.*

GROUP PROPERTY PARTICULARS

No.	Location of Property	Description/ Existing use	Approximately Land Area (sq.ft)	Tenure	Approximately Age of Building (years)	Net Book Value as at 31.12.2021 (RM)	Date of Revaluation
(1)	17, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan	Corporate Head Office	108,629	99 years expiring 01.02.2058	62	16,429,731	-
(2)	19 - 21, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan	Corporat Head Office and Distribution Hub	91,666	99 years expiring 13.08.2056	46	6,445,454	20.06.2008 and 30.06.2009
(3)	Sub-lots No. 1 - 4, 8 1/2 Mile, Batu Kitang Road, 93250 Kuching, Sarawak	Branch Office, Distribution Hub and Warehouse	26,866	60 years lease expiring 23.10.2076	5	4,990,300	-
(4)	Sub-lots No. 5 - 8, 8 1/2 Mile, Batu Kitang Road, 93250 Kuching, Sarawak	Branch Office, Distribution Hub and Warehouse	32,291	60 years lease expiring 23.10.2076	5	4,708,383	-
(5)	Unit 41-18, Q Sentral, 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur Wilayah Persekutuan	Corporate & functional office	2,917	Freehold	6	3,528,000	30.06.2020
(6)	J-8-6, J-8-7 & J-8-8, SOHO KL Solaris Mont Kiara, No.2, Jalan Solaris, Mont Kiara, 50480 Kuala Lumpur, Wilayah Persekutuan.	Corporate & functional office	3,749	Freehold	12	2,605,000	31.12.2021
(7)	Lot No. 196803, Jalan Hala Jati 12, Kawasan Perindustrian Taman Meru, Off Jalan Jelapang, 30020 Ipoh, Perak Darul Ridzuan	Double Storey Factory Building	143,956	60 years lease expiring 21.06.2052	29	10,878,000	30.06.2020

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting ("**18th AGM**") of the Company will be conducted entirely on a virtual basis at Broadcast Venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 7 June 2022 at 11.00 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements of the Company for the financial period ended 31 December 2021 together with the Directors' and Auditors' Reports thereon.

Please refer to Explanatory Note 1

2. To approve the payment of Directors' fees payable to the Independent Non-Executive Directors of the Company up to an aggregate amount of RM723,000.00 for the period from 1 December 2021 until the conclusion of the next Annual General Meeting.

Ordinary Resolution 1

3. To approve the payment of benefits payable to the Independent Non-Executive Directors of the Company up to an aggregate amount of RM122,200.00 for the period from 1 December 2021 until the conclusion of the next Annual General Meeting.

Ordinary Resolution 2

4. To re-elect the following Directors who retire pursuant to Clause 96 of the Constitution of the Company:

(a) Mr Teong Teck Lean — **Ordinary Resolution 3**
(b) Ms Low Ngai Yuen — **Ordinary Resolution 4**

5. To re-elect the following Directors who retire pursuant to Clause 103 of the Constitution of the Company:

(a) Mr Hiroshi Etani — **Ordinary Resolution 5**
(b) Dato' Azman Bin Mahmud — **Ordinary Resolution 6**
(c) Puan Nuraini Binti Ismail — **Ordinary Resolution 7**
(d) Mr Yik Yen Shan, Vincent — **Ordinary Resolution 8**

6. To re-appoint Messrs Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

Ordinary Resolution 9

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING
cont'd

As Special Business

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

7. **Authority under Section 75 and Section 76 of the Companies Act 2016 for the Directors to allot and issue shares**

"**THAT** pursuant to Section 75 and Section 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued share/ total number of voting shares of the Company (excluding treasury shares) at the time of issue and **THAT** the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and **THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution 10

8. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"**THAT** approval be and is hereby given to the Company and its subsidiaries ("**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 29 April 2022, 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 third party;

(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.

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 is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next 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 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

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

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING
cont'd

whichever occurs first.

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

Ordinary Resolution 11

9. **Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares**

"**THAT** subject to the Companies Act 2016 ("**Act**"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise an amount not exceeding the Company's aggregate retained profits as at 31 December 2021 to purchase such amount of ordinary shares in the Company ("**Proposed Renewal of Share Buy-Back Authority**") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company.

THAT an amount not exceeding the Company's retained profits be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority.

THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them.

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:

(i) the conclusion of the next Annual General Meeting ("**AGM**") of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

AND THAT the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Share Buy-Back Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority."

Ordinary Resolution 12

10. 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 2016 and the Constitution of the Company.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING
cont'd

BY ORDER OF THE BOARD

TAN AI NING (MAICSA 7015852)(SSM PC No.: 202008000067)
TAN SEIW LING (MAICSA 7002302)(SSM PC No.: 202008000791)
Company Secretaries
Selangor Darul Ehsan
29 April 2022

Notes:

1. *As part of the initiatives to curb the spread of COVID-19 and Government of Malaysia's official guidance on social distancing, the 18th AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities. Please follow the procedures provided in the Administrative Guide for the 18th AGM in order to register, participate and vote remotely.*

2. *The venue of the 18th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the 18th AGM is to inform shareholders where the electronic 18th AGM production and streaming would be conducted from the Broadcast Venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.* ***NO SHAREHOLDER(S)/PROXY(IES)*** *from the public will be allowed to be physically present at the Broadcast Venue.*

3. *In respect of deposited securities, only members whose names appear in the Company's Record of Depositors on 25 May 2022 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*

4. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*

5. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.*

7. *The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the 18th AGM or at any adjournment thereof, as follows:*

   (a) In hard copy form

   The original instrument appointing a proxy ("Form of Proxy") must be deposited at the Company's Share Registrar's Office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

   (b) By electronic means

   The Form of Proxy can also be lodged electronically with the Share Registrar of the Company through Boardroom Smart Investor Online Portal at www.boardroomlimited.my or email to bsr.helpdesk@boardroomlimited.com. Please follow the procedures provided in the Administrative Guide for the 18th AGM in order to deposit the Form of Proxyelectronically.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING
cont'd

8. *If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in our electronic 18th AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.*

9. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of 18th AGM will be put to vote by way of poll.*

EXPLANATORY NOTES:

1. Item 1 of the Agenda - Audited Financial Statements

Item 1 of the Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 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 2 of the Agenda - Directors' Fees

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the following directors of the Company and its subsidiaries shall be approved at a general meeting.

The proposed Ordinary Resolution 1, if passed, will facilitate the payment of proposed Directors' fees of RM723,000.00 for the period from 1 December 2021 until the conclusion of the next annual general meeting to the Independent Non-Executive Directors.

3. Item 3 of the Agenda - Benefits Payable

The proposed benefits of RM122,200.00 for the financial period from 1 December 2021 until the conclusion of the next annual general meeingt payable to the Independent Non-Executive Directors comprises meeting allowances. In the event that the amount proposed is insufficient (due to enlarged Board size and additional number of meetings), approval will be sought at the next Annual General Meeting for the shortfall.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING
cont'd

4. Item 4 of the Agenda - Re-election of Directors pursuant to Clause 96 of the Constitution of the Company

Pursuant to Malaysian Code on Corporate Governance 2021, the profiles of the Directors who are standing for re-election as per Agenda items are as follows:

Description	**Ordinary Resolution 3**
Name of the Director	Mr Teong Teck Lean (Managing Director/Group Chief Executive Officer)
Age	61
Gender	Male
Present Directorship(s)	(1) GDEX Berhad
Family relationship with any Director and/or major shareholder of the Company	Deemed interested by virtue of: (i) his shareholdings held through GD Express Holdings (M) Sdn Bhd, GD Holdings International Limited and GDEX Foundation, and (ii) his spouse's direct shareholding in the Company.
Working experience	Mr Teong was appointed to the Board on 8 February 2005. He holds a degree in Electrical and Electronics Engineering from the University of Manitoba, Canada in 1983. Mr Teong started his career as an engineer with Texas Instruments 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 and the skills pertinent to managing a service centric business. In 2000, he acquired a controlling stake in GD Express Sdn Bhd. He was instrumental in turning the Group around by putting corporate policies and best practices in place, which cumulated in the listing of GDEX on the MESDAQ Market (currently known as ACE Market) on Bursa Securities in 2005. Currently, Mr Teong is responsible for business development, setting strategic direction and the overall management of the Group as well as overseeing operations of the entire organisation. Mr Teong is also a director of GDEX Foundation, a company limited by guarantee.

The Board based on the recommendation of Combined Nomination and Remuneration Committee, supports the re-election of Mr. Teong Teck Lean as Managing Director/Group Chief Executive Officer of the Company based on the following justifications:

1. Mr. Teong Teck Lean has overall responsibility for creating, planning, implementing and integrating the strategic direction of the Company He is familiar with the Company's business operations and able to provide valuable input to steer the Company forward.

2. Mr. Teong Teck Lean has exercised his due care and carried out his professional duties proficiently during his tenure as Managing Director/Group Chief Executive Officer of the Company.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING
cont'd

Description	Ordinary Resolution 4
Name of the Director	Ms Low Ngai Yuen (Independent Non-Executive Director)
Age	45
Gender	Female
Present Directorship(s)	(1) GDEX Berhad (2) OCK Group Berhad
Family relationship with any Director and/or major shareholder of the Company	She has no family relationship with any Director and/or major shareholder of the Company.
Working experience	Ms Low was appointed to the Board on 1 November 2018. She is currently a member of the Audit and Risk Management Committee as well as the Combined Nomination and Remuneration Committee. She is an independent director of OCK Group Berhad and is also the Group Chief Merchandise and Marketing Officer at AEON Co (M) Berhad. Ms Low received a Bachelor of Science in Biology and Chemistry from Campbell University, North Carolina, United States of America. She also completed a course in filmmaking at the University of Melbourne, Australia. A passionate activist, she is the President of the 22 years old Persatuan Kakiseni that champions the arts and its advocacy; and in 2013 founded Pertubuhan Pembangunan Kendiri Wanita Dan Gadis, WOMENgirls; an NGO dedicated to program interventions to remind women as role models to younger girls to achieve their potentials. Additionally, Ms Low is the founding member who then led as the Executive Director from 2016 to 2021 of Global Entrepreneurship Movement Association, GEMA that is about enabling tech transfer, bridging the technology gap to overlooked communities for market access as well as building online resources for cross-border entrepreneurship. Known to the public as a multiple award-winning content producer, director and TV veteran, in October 2021, Ms Low's acclaimed social film on humanity called *Orang Itu* was released on Netflix. The film scored a 10/10 from film critic, Tan Sri Johan Jaafar in The Star and is named the top 5 must watch Malaysian films. In 2021, Ms Low served on the Health and Sciences Covid-19 Advisory Group of Experts (EAG) for community engagement and subsequently for the Greater Klang Valley Special COVID-19 Taskforce (GKV STF). Ms Low is also appointed consecutively from 2019 to sit on the Committee To Culturalise Productivity for Malaysia Productivity Corporation, MPC.

The Board based on the recommendation of Combined Nomination and Remuneration Committee, supports the re-election of Ms Low Ngai Yuen as Independent Non-Executive Director of the Company based on the following justifications:

1. Ms Low Ngai Yuen fulfils the requirements of independence set out in Bursa Malaysia Securities Berhad Main Market Listing Requirements. She remains objective and independent in expressing her view and participating in Board's deliberations and decision making process.

2. Ms Low Ngai Yuen has exercised her due care and carried out her professional duties proficiently during her tenure as Independent Non-Executive Director of the Company.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING
cont'd

5. Item 5 of the Agenda – Re-election of Directors pursuant to Clause 103 of the Constitution of the Company

Pursuant to Malaysian Code on Corporate Governance 2021, the profiles of the Directors who are standing for re-election as per Agenda items are as follows:

Description	**Ordinary Resolution 5**
Name of the Director	Mr Hiroshi Etani (Non-Independent Non-Executive Director)
Age	58
Gender	Male
Present Directorship(s)	(1) GDEX Berhad
Family relationship with any Director and/or major shareholder of the Company	He has no family relationship with any Director and/or major shareholder of the Company.
Working experience	Mr Hiroshi Etani was appointed to the Board on 1 April 2021. Started business career at Itochu and worked for various management roles such as Manager at PT. Itochu Indonesia, General Manager at Itochu Logistics Jakarta, General Manager at Itochu Logistics Shanghai and Managing Director at Itochu Logistics Singapore. Subsequently, worked as Global Customer Director at DHL Global Customer Solutions, Sales, Marketing & Customer Service Director at TNT Express Japan, CEO and President Director at Rakuten Logistics, Director, Executive Officer and Assistant CEO at Mitsui Soko Logistics, then President and Representative Director at CMA CGM Japan. Joined Yamato group in November 2020 as Director and Managing Executive Officer at Yamato Logistics then moved to Yamato Transport Co., Ltd. as Managing Executive Officer & Head of Global SCM Business Division at Yamato Transport Co., Ltd. in April 2021. Has been working as Senior Managing Executive Officer and Head of Corporate Sales & Global Strategy at Yamato Transport Co., Ltd. since February 2022. Outside Director at Eco-hai from June 2013 till May 2014. Non-executive director at Japan Material Flow Institute from June 2016 till February 2018. - Graduated from Kobe University; Maritime Sciences in 1987 - Received post graduate award at Warwick University; Management and Business in 2011

The Board based on the recommendation of Combined Nomination and Remuneration Committee, supports the re-election of Mr Hiroshi Etani as Non-Independent Non-Executive Director of the Company based on the following justifications:

1. Mr Hiroshi Etani has vast experience in transportation and and logistics services.

2. Mr Hiroshi Etani has exercised his due care and carried out his professional duties proficiently during his tenure as Non-Independent Non-Executive Director of the Company.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING
cont'd

Description	**Ordinary Resolution 6**
Name of the Director	Dato' Azman Bin Mahmud (Independent Non-Executive Director)
Age	61
Gender	Male
Present Directorship(s)	(1) GDEX Berhad (2) Panasonic Manufacturing Malaysia Berhad (3) Privasia Technology Berhad (4) Cnergenz Berhad (5) Export-Import Bank of Malaysia Berhad
Family relationship with any Director and/or major shareholder of the Company	He has no family relationship with any Director and/or major shareholder of the Company.
Working experience	Dato' Azman Bin Mahmud was appointed to the Board on 1 June 2021. An Agricultural Engineering alumnus from University Putra Malaysia, Dato' Azman is the illustrious former Chief Executive Officer ("CEO") of the Malaysian Investment Development Authority ("MIDA") where he served for over three decades with his final years donning the hat of CEO. Having served MIDA since 1989 until his retirement on 1 April 2021, Dato' Azman has held various responsibilities and was also posted overseas for his vast industry know-how. As the CEO, he led MIDA in driving the investment agenda of Malaysia to achieve national investment targets from 2014 till 2021. He also led the transformation of MIDA towards being a world-class Investment Promotion Agency. Dato' Azman who has held various Board positions, has been a member of various government agencies and special task force related to development of businesses and investments and is known for his collaborative leadership within the corporate ecosystem. Besides the Independent Non-Executive Director of GDEX Berhad, Dato' Azman also chairs the Board of Directors for the following organisations: Panasonic Malaysia Sdn Bhd, Panasonic Manufacturing Malaysia Bhd, Privasia Technology Bhd, Cnergenz Bhd, UPM Holdings Sdn Bhd, SME Aerospace (SMEA) Sdn Bhd and EXIM Bank of Malaysia Berhad. He also holds various other Board in Kulim Technology Park Corp, in addition to being a member of several organisations related to the development of businesses and investments, such as Invest Sabah Bhd and Penjana Kapital. For Penjana Kapital, Dato' Azman sits on its Investment Panel to offer his guidance and expertise. Early 2022, Dato' Azman also joined the Board of the charitable organisation Akademi Transformasi Asnaf MAIPs Sdn Bhd, which performs functions and duties towards transforming Asnaf for the betterment of all. Noteworthy, Dato' Azman was recently invited to be an Adviser to the Associated Chinese Chamber of Commerce and Industry of Malaysia or ACCCIM as the association looked up to him for his profound experience and knowledge to guide it to encourage more foreign direct investments into the country. His past leadership repertoire includes directorship in Malaysia Petroleum Resources Corporation (MPRC), Collaborative Research in Science, Engineering & Technology (CREST) (Chairman), Regional Corridor Development Authority (RECODA) (Director and Member of Audit Committee), InvestKL, Johor Corporation (JCorp), Special Task Force to Facilitate Business (PEMUDAH) (Permanent Member), Cyberjaya Implementation Council (Permanent Member) and Iskandar Regional Development Authority (IRDA) (Member of Approvals and Implementation Committee (AIC)). Dato' Azman has also attended several leadership and professional development courses from renowned training institutes such as 'A Cutting Edge of Development Thinking', Harvard Kennedy School, John F. Kennedy School of Government, USA; 'Leading Change & Organisation Renewal', Harvard Business School, USA; Strategy Execution Programme, INSEAD France; APAC Government Leadership Programme (AGLP) in Crotonville, New York, USA; and Temasek Foundation International Asia Leader's Connect, Singapore.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING
cont'd

The Board based on the recommendation of Combined Nomination and Remuneration Committee, supports the re-election of Dato' Azman Bin Mahmud as Independent Non-Executive Director of the Company based on the following justifications:

1. Dato' Azman Bin Mahmud fulfils the requirements of independence set out in Bursa Malaysia Securities Berhad Main Market Listing Requirements. He remains objective and independent in expressing his view and participating in Board's deliberations and decision making process.

2. Dato' Azman Bin Mahmud has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Director of the Company.

Description	**Ordinary Resolution 7**
Name of the Director	Puan Nuraini Binti Ismail (Independent Non-Executive Director)
Age	59
Gender	Female
Present Directorship(s)	(1) GDEX Berhad (2) Bank Islam Malaysia Berhad
Family relationship with any Director and/or major shareholder of the Company	She has no family relationship with any Director and/or major shareholder of the Company.
Working experience	Puan Nuraini Binti Ismail was appointed to the Board on 1 January 2022. She is currently the Chairperson of the Combined Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee. She is also an Independent Non-Executive Director of Bank Islam Malaysia Berhad. Puan Nuraini is a Fellow member of the Association of Chartered Certified Accountants (FCCA) with more than 35 years working experience. Her working experience includes in the areas of finance, treasury, corporate finance, debt capital markets, trade finance, banking, financial, credit and trading risks, audit & governance, corporate planning, logistics and operations. Being a Jabatan Perkhidmatan Awam (JPA) scholar, she started her career at the Accountant General Office in 1985 and thereafter joined an audit firm to secure her professional working experience. Prior to her appointment to the Board of GDEX Berhad, Puan Nuraini was with PETRONAS for 29 years, since 1992 and the last position held prior to her retirement in 2021 was the Vice-President of Treasury. Prior to assuming this role, she had held various senior positions in PETRONAS Group including Senior General Manager, Group Treasury of PETRONAS, General Manager, Finance & Accounts Services and General Manager, Commercial Services of Malaysian International Trading Corporation Sdn Bhd. She was also appointed as a Non-Independent Non-Executive Director of Petronas Dagangan Berhad from 11 November 2011 till 31 May 2021 and a member of Audit Committee from 1 December 2013 till 31 May 2021. Prior to joining PETRONAS, she had served in various organisations including Bank Bumiputra Malaysia Berhad, Bumiputra Merchant Bankers and Mayban Finance Berhad.

The Board based on the recommendation of Combined Nomination and Remuneration Committee, supports the re-election of Puan Nuraini Binti Ismail as Independent Non-Executive Director of the Company based on the following justifications:

1. Puan Nuraini Binti Ismail fulfils the requirements of independence set out in Bursa Malaysia Securities Berhad Main Market Listing Requirements. She remains objective and independent in expressing her view and participating in Board's deliberations and decision making process.

2. Puan Nuraini Binti Ismail has over 35 years of working experience in senior position of public listed companies, which enable her to provide the Board with a diverse set of expertise and skills.

3. Puan Nuraini Binti Ismail has exercised her due care and carried out her professional duties proficiently during her tenure as Independent Non-Executive Director of the Company.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING
cont'd

Description	Ordinary Resolution 8
Name of the Director	Mr Yik Yen Shan, Vincent (Non-Independent Non-Executive Director)
Age	49
Gender	Male
Present Directorship(s)	(1) GDEX Berhad
Family relationship with any Director and/or major shareholder of the Company	He has no family relationship with any Director and/or major shareholder of the Company.
Working experience	Mr Vincent Yik was appointed to the Board on 11 February 2022. He joined SingPost in December 2021 and is the Group Chief Financial Officer, responsible for overall financial matters of the Group, including financial and management reporting, taxation, investment management, risk management, treasury and other corporate matters. Vincent has more than 20 years of Finance related experience and before assuming the current role, he served as Chief Financial Officer ("CFO") at OUE Lippo Healthcare Limited. Prior to that, Vincent also previously held key executive roles, including as CFO of Far East Orchard Limited (a member of Far East Organization), Chief Operating Officer, Australia Properties of Far East Organization, Sydney, as well as CFO, Australia & New Zealand Banking Group, Singapore Branch. Vincent holds a Bachelor of Commerce from the University of Queensland, Australia. Vincent is also a member of CPA Australia as well as the Institute of Singapore Chartered Accountants.

The Board based on the recommendation of Combined Nomination and Remuneration Committee, supports the re-election of Mr Yik Yen Shan, Vincent as Non-Independent Non-Executive Director of the Company based on the following justifications:

1. Mr Yik Yen Shan, Vincent has vast finance management experience in Singapore and Australia.

2. Mr Yik Yen Shan, Vincent has exercised his due care and carried out his professional duties proficiently during his tenure as Non-Independent Non-Executive Director of the Company.

6. **Item 6 of the Agenda – Re-appointment of Auditors**

The auditors of the Company must be re-appointed at each Annual General Meeting. The Proposed Ordinary Resolution 9 proposes the re-appointment of Messrs Deloitte PLT, to hold office until the conclusion of the next Annual General Meeting.

The Audit and Risk Management Committee at its meeting held on 25 February 2022 had undertaken an annual assessment of the suitability and effectiveness of the audit process, performance, suitability and independence of Messrs Deloitte PLT.

7. **Item 7 of the Agenda - Authority under Section 75 and Section 76 of the Companies Act 2016 for the Directors to allot and issue shares**

The Company had, at its Seventeenth Annual General Meeting held on 3 December 2020, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 75 and Section 76 of the Companies Act 2016 ("Act"). As at the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

The proposed Ordinary Resolution 10 is a renewal of the general mandate for issuance of shares by the Company under Section 75 and Section 76 of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purposes of funding investment project(s), working capital and/or acquisition.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING
cont'd

8. **Item 8 of the Agenda - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

   The proposed Ordinary Resolution 11 is a renewal of Shareholders' Mandate which will enable the Group to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature which are necessary for the Group's 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.

   Please refer to the Circular to Shareholders dated 29 April 2022 for further information.

9. **Item 9 of the Agenda - Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares**

   The proposed Ordinary Resolution 12, if passed, will empower the Company to purchase and/or hold up to 10% of the total number of issued shares of the Company. This authority, unless revoked or varied by the Company at a general meeting, shall continue to be in full force until the conclusion of the next Annual General Meeting of the Company.

   Please refer to the Statement to Shareholders dated 29 April 2022 for further information.

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

GDEX BERHAD
(Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia)

No. of shares held	
CDS Account No.	

FORM OF PROXY

*I/We, ______________________________ NRIC/Passport/Company No. ____________________
(Full name in block letters)

of ____
(Full Address)

and telephone no./email address ______________________ being a member/members of **GDEX BERHAD**,

hereby appoint ______________________________ NRIC No. ____________________
(Full name in block letters)

of ____
(Full Address)

______________________________ or failing *him/her, ____________________

NRIC/Passport No. ______________ of ______________________________
(Full Address)

or failing *him/her, the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the Eighteenth Annual General Meeting of the Company to be conducted entirely on a virtual basis at Broadcast Venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 7 June 2022 at 11.00 a.m. and at any adjournment thereof.

*My/our proxy is to vote as indicated below:

NO.	RESOLUTIONS		FOR	AGAINST
1.	Approval of Directors' fees payable to the Independent Non-Executive Directors of the Company up to an aggregate amount of RM723,000.00 for the period from 1 December 2021 until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 1		
2.	Approval of benefits payable to the Independent Non-Executive Directors of the Company up to an aggregate amount of RM122,200.00 for the period from 1 December 2021 until the conclusion of the next Annual General Meeting.	Ordinary Resolution 2		
3.	Re-election of Mr Teong Teck Lean as Director	Ordinary Resolution 3		
4.	Re-election of Ms Low Ngai Yuen as Director	Ordinary Resolution 4		
5.	Re-election of Mr Hiroshi Etani as Director	Ordinary Resolution 5		
6.	Re-election of Dato' Azman Bin Mahmud as Director	Ordinary Resolution 6		
7.	Re-election of Puan Nuraini Binti Ismail as Director	Ordinary Resolution 7		
8.	Re-election of Mr Yik Yen Shan, Vincent as Director	Ordinary Resolution 8		
9.	Re-appointment of Messrs Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration	Ordinary Resolution 9		
10.	Authority under Section 75 and Section 76 of the Companies Act 2016 for the Directors to allot and issue shares	Ordinary Resolution 10		
11.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 11		
12.	Proposed Renewal of Authority for the Company to purchase its own Ordinary Shares	Ordinary Resolution 12		

*Subject to the abovestated voting instructions, *my/our proxy vote or abstain from voting on any resolutions as *he/she/they may think fit.*

**Strikeout whichever is not desired.*
[Unless otherwise instructed, the proxy may vote as he thinks fit.]

Signed this ____________ day of ______________ 2022

The proportion of my/our shareholdings to be represented by my/our proxies are as follows:

	Percentage
First Proxy	%
Second Proxy	%
Total	100%

____
Signature of Member(s) or Common Seal

Fold This Flap For Sealing

Notes:

1. *As part of the initiatives to curb the spread of COVID-19 and Government of Malaysia's official guidance on social distancing, the 18th AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities. Please follow the procedures provided in the Administrative Guide for the 18th AGM in order to register, participate and vote remotely.*
2. *The venue of the 18th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the 18th AGM is to inform shareholders where the electronic 18th AGM production and streaming would be conducted from Broadcast Venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.* ***NO SHAREHOLDER(S)/PROXY(IES)*** *from the public will be allowed to be physically present at the Broadcast Venue.*
3. *In respect of deposited securities, only members whose names appear in the Company's Record of Depositors on 25 May 2022 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*
4. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
5. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.*

Fold along this line (1)

Please Affix Stamp

BOARDROOM SHARE REGISTRARS SDN. BHD.
GDEX BERHAD
(Registration No. 200301028159 (630579-A))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Fold along this line (2)

7. *The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the 18th AGM or at any adjournment thereof, as follows:*
   (a) In hard copy form
   The original instrument appointing a proxy ("Form of Proxy") must be deposited at the Company's Share Registrar's Office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
   (b) By electronic means
   The Form of Proxy can also be lodged electronically with the Share Registrar of the Company through Boardroom Smart Investor Online Portal at www.boardroomlimited.my or email to bsr.helpdesk@boardroomlimited.com. Please follow the procedures provided in the Administrative Guide for the 18th AGM in order to deposit the Form of Proxy electronically.
8. *If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in our electronic 18th AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.*
9. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of 18th AGM will be put to vote by way of poll.*

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to Personal Data Protection Act, 2010.

GDEX STATIONS

(AS AT 31 DECEMBER 2021)

Headquarters (PJ)
03-7787 2222

Ajil
09-682 6271

Alor Gajah
06-556 4440

Alor Setar
04-734 9636

Alor Setar (Lodge-in)
04-730 5194

Ampang
03-4280 1415

Ayer Hitam
04-826 2091

Ayer Keroh
06-231 6223

Bachok
012-779 0124

Bahau
06-454 0295

Bandar Chiku
09-928 4035

Bandar Pusat Jengka
09-467 6554

Bandar Sri Damansara
03-6263 1385

Bangi
03-8922 2184

Banting
03-3180 1601

Batu Pahat
07-433 5033

Bayan Baru
04-688 9051

Benta
09-323 9453

Bentong
09-223 5099

Bera
09-250 2137

Bukit Beruntung
03-6021 3634

Bukit Gambir
012-720 0983

Bukit Mertajam
04-540 4480

Bukit Pasir
06-985 9852

Bukit Rahman Putra
03-6157 2106

Butterworth
04-313 2471

Cheras
03-9174 3580

Chini
013-623 8598

Damansara Perdana
03-7722 3400

Desa Tasik, Sg. Besi
03-9054 8038

Endau
016-717 9681

Felda Kota Gelangi
014-503 2929

Felda Tenggaroh
019-785 3767

Gelang Patah
07-585 9153

Gemas
017-205 3627

Gemencheh
013-650 9211

Gerik
014-682 9868

Gua Musang
09-912 6622

Gurun
019-315 8755

Ipoh
05-545 0596

Jelapang
016-539 8193

Jeli
012-966 4877

Jenjarom
03-3191 1557

Jerantut
09 -266 2708

Jerteh
010-513 8180

Jitra
04-714 0403

Johor Bahru
07-353 0413

Kajang
03-8737 0988

Kampar
05-468 4243

Kemaman
09-858 1780

Kepala Batas
017-897 20171

Kepong
03-6259 6220

Keratong
011-1096 5223

Klang
03-3291 1768

Kluang
07-774 3362

Kok Lanas
09-788 3090

Kota Bharu
09-743 1800

Kota Kemuning
03-5525 5423

Kota Tinggi
07-882 1322

Kuala Besut
014-510 4900

Kuala Kangsar
(Distribution Centre)
05-770 2288

Kuala Ketil
012-493 7691

Kuala Krai
09-966 3546

Kuala Krau
013-500 5243

Kuala Lipis
09-312 4877

Kuala Nerang
011-1076 9446

Kuala Pilah
019-665 6653

Kuala Rompin
017-840 6956

Kuala Selangor
03-3289 4727

Kuala Terengganu
09-620 3006

Kuantan
09-568 9033

Kulai
07-660 7426

Kulim
04-410 1481

Labis
016-319 1480

Lanchang
017-929 9388

Langkawi
(Distibution Centre)
04-961 0449

Lenggong
019-854 3054

Machang
09-975 1160

Malim Jaya
06-334 0131

Maran
09-477 1573

Melaka Raya
(Lodge-in)
06-281 8033

Melawati
03-6187 3059

Melor
09-783 2110

Mentakab
09-290 2159

Merlimau
06-263 9359

Mersing
011-3665 8360

Muadzam Shah
013-999 1837

Muar
06-953 9337

Nilai
06-797 1780

Paka
08-827 1313

Palong
019-666 8840

Parit Buntar
05-716 9429

Pasir Gudang
07-387 0103

Pasir Gudang
(Lodge-in)
07-252 0025

Pasir Mas
09-719 2513

Pekan
09-422 2012

Penang
04-227 9358

Pendang
012-539 7415

Perlis
016-223 1775

Pokok Sena
011-1075 9446

Pontian
07-686 1430

Port Dickson
06-651 6532

Port Klang
03-3885 3355

Port Klang (Lodge-in)
03-3323 6063

Puchong
03-8060 0782

Pulau Ketam
019-349 1777

Pulau Pangkor
019-515 6161

Raub
(Distribution Centre)
09-355 0245

Rawang
03-6091 5662

Rembau
011-5508 1281

Sabak Bernam
011-1505 8189

Segamat
07-932 8033

Segambut
03-6241 0645

Sekinchan
03-3241 4717

Senai
07-598 6578

Senawang
06-675 8878

Serdang
03-8945 3488

Seremban
06-767 0121

Seri Iskandar
05-371 1367

Setiu
013-955 6122

Shah Alam
03-5548 7413

Sik
011-6088 6823

Simpang Pulai
016-783 2834

Simpang Renggam
017-783 2834

Setiawan
05-691 0372

Skudai
07-511 1288

Subang Jaya
03-5631 0688

Sungai Besi
03-9221 0193

Sungai Koyan
012-961 6056

Sungai Petani
04-421 5580

Sungai Retang
011-1477 8378

Sungai Siput
016-244 4561

Sungei Buloh
03-7734 0172

Sungkai
018-321 4771

Taiping
05-829 3214

Tampin
06-441 0304

Tampoi
07-289 3600

Tanah Merah
013-900 8707

Tangkak
06-978 1511

Tanjung Malim
05-459 9210

Teluk Intan
05-621 1589

Triang
010-917 1373

Tun Hussein Onn
03-8964 4547

Ulu Tiram
07-863 2533

Wangsa Maju
03-4142 0192

Yong Peng
(Distribution Centre)
07-467 1171

EAST MALAYSIA

Asia City
088-210 221

Beaufort
011-3634 0311

Beaufort - Sipitang
088-911 316

Beluran
013-875 9346

Keningau
087-330 589

Kinabatangan
013-555 4860

Kota Belud
088-977 126

Kota Kinabalu
088-393 354

Kota Kinabalu
(Lodge-in)
088-259 953

Kota Marudu
088-661 046

Kuala Penyu
019-586 2888

Kudat
088-611 490

Kunak
089-851 197

Lahad Datu
089-885 770

Lok Kawi
012-841 5971

Papar
011-1209 8602

Pitas
011-3529 2147

Ranau
019-802 2788

Sandakan
089-465 400

Semporna
089-784 494

Tambunan
014-354 7004

Tawau
089-769 348

Telupid
014-202 7021

Tenom
010-851 6164

Tuaran
016-836 8598

SARAWAK

Asajaya
082-827 276

Batu Niah
016-876 5699

Bau
082-762 650

Bekenu
016-873 2399

Belawai
019-891 4319

Betong
083-420 168

Bintangor
084-693 497

Bintulu
086-318 871

Dalat
019-821 9772

Daro
084-823 331

Engkilili
014-598 9852

Julau
016-878 9551

Kanowit
084-752 899

Kapit
013-560 9977

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082-503 417

Kuching
082-620 220

Kuching (Lodge-in)
082-232 306

Lawas
085-285 369

Limbang
010-977 7005

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012-847 9573

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Miri
085-434 148

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084-872 808

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08-233 2659

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011-883 5395

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019-886 8480

Serian
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