GD EXPRESS

GD EXPRESS CARRIER BHD (630579-A)

Extending Our Reach

ANNUAL REPORT 2019

CONTENTS

GDEX
Positioning Statement

Flying High like SWIFTLETS

Swiftlets, whose silky saliva threads are greatly sought after for making the famous bird nest soup, have proved to be highly adaptable birds. Not only have they successfully moved from their traditional cave habitats to man-made bird homes, their ability to thrive and continue to produce high quality bird nests wherever they migrate in South East Asia is truly amazing.

In flight, swiftlets emit a series of clicking noises which act as a bio sonar in echolocation enabling them to detect objects and avoid mid-air collisions. Their echolocation abilities also help direct the path to their nests amid the thousands of other nests within the darkened roosting grounds.

Like the swiftlet, GDEX is equally adaptable and able to replicate its quality express delivery operations in the ASEAN region. It too has a built-in “radar” system that enables it to monitor (record, sort and track) the many thousands of shipments passing through its hub every day. This sophisticated IT-based monitoring system, upgraded and updated constantly, contributed immensely to the Group’s growth in ASEAN.

The swiftlet and GDEX. Developing capabilities and capacities to expand their network and reach in the ASEAN region.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID
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

LIEW HENG HENG
Independent Non-Executive Director

ADI ARMAN BIN ABU OSMAN
Independent Non-Executive Director

LOW NGAI YUEN
Independent Non-Executive Director

CHUA KHING SENG
Non-Independent Non-Executive Director

LAI TAK LOI
Non-Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Liew Heng Heng *(Chairperson)*
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Adi Arman bin Abu Osman
Low Ngai Yuen

COMBINED NOMINATION AND REMUNERATION COMMITTEE

Adi Arman bin Abu Osman *(Chairman)*
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Liew Heng Heng

COMPANY SECRETARIES

Tai Yit Chan *(MAICSA 7009143)*
Tan Ai Ning *(MAICSA 7015852)*

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
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7890 4800
Fax : 03-7890 4650

ADVOCATES & SOLICITORS

Lee & May
B-12-7, Unit 7
12th Floor, Block B
Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel : 03-2163 3816
Fax : 03-2161 1816

CORPORATE HEAD OFFICE

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

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd. *(Company No. 378993-D)*
(Formerly known as Symphony Share Registrars Sdn. Bhd.)
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-WB : 0078WB

CORPORATE WEBSITE

www.gdexpress.com

GROUP STRUCTURE

GD EXPRESS CARRIER BHD
(630579-A)

INVESTMENT HOLDING

Listed on Main Market of Bursa Malaysia Securities Berhad

- 100% **GD Express Sdn Bhd** — *Express Delivery*
- 100% **GD Venture (M) Sdn Bhd** — *Transportation Services*
- 100% **GDEX SEA Sdn Bhd**
- 100% **GD Facilities and Assets Management Sdn Bhd** — *Facilities & Assets Management*
  - 100% **GDEX Properties Sdn Bhd**
- 100% **GD Logistics (M) Sdn Bhd** — *Logistics Operations*
  - 100% **GD Distribution Services Sdn Bhd** — *Logistics Operations*
  - 100% **GD Secured Solutions Sdn Bhd** — *Express Delivery*
  - 100% **GD Customised Solution Sdn Bhd** — *Logistics Operations*
- 100% **GD Express (Singapore) Pte Ltd** — *Express Delivery*
- 100% **GDEX Regional Alliance Pte Ltd** — *Dormant*
- 100% **GD Valueguard Sdn Bhd** — *Insurance Services*
- 100% **PT Gede Advisory Indonesia#** — *Provision of Advisory Service*
- 44.5% **PT Satria Antaran Prima TBK*** — *Express Delivery*
- 32.69% **Web Bytes Sdn Bhd** — *Software Solutions*

Legend:
- Locally Incorporated
- Incorporated in Singapore
- Incorporated in Indonesia
- Associate

** Held by GD Express Carrier Bhd (16.5%), GDEX SEA Sdn Bhd (18%), GD Valueguard Sdn Bhd (10%)*
 # Held by GD Express Carrier Bhd (30%), GDEX SEA Sdn Bhd (70%)

DATO' CAPT. AHMAD SUFIAN
Chairman

CHAIRMAN'S STATEMENT

I am pleased to present my fifteenth annual statement to our fellow shareholders for the financial year ended 30 June 2019.

Headwinds from the continuing US-China trade dispute buffeted global trade and had a negative effect on the Malaysian economy. Effects of a fiscal consolidation (belt-tightening) exercise of the country's finances also contributed to the general slowdown. Growth in our economy is expected to remain within 4.3 percent to 4.8 percent in 2019, mainly supported by private sector activity.

The express carrier industry however, remained steady, thanks to continued growth in E-commerce which necessitated the demand for more express delivery services. But this sustained growth did not translate to better profits as competition for a share of the express delivery market intensified. Besides the entry of significant players from other logistics sectors into the already crowded express delivery space, many of the existing market players also resorted to throwing prices to maintain or gain market share. This has compressed profit margins for all.

CHAIRMAN'S STATEMENT
cont'd

DIVIDEND PAYMENT

The board of directors has declared a first and final dividend of 0.25 sen per share for every existing share.

SIGNIFICANT DEVELOPMENTS

In April this year, the Group signed a regional agreement with RedCargo Logistics, the cargo and logistics platform of AirAsia, the world's leading low cost airline. This new partnership provides GDEX customers with access to AirAsia's extensive network, meaning goods are able to be transported and delivered efficiently on more than 5,000 weekly flights across Asia Pacific.

As part of the new agreement, RedCargo Logistics will have opportunities to explore last mile capabilities and other cross-border logistics potentials with GDEX.

This strategic tie-up will enable GDEX to enhance customer satisfaction and flexibility as well as improve its E-commerce connectivity. It will also go a long way to help realise the Group's ambition to become the foremost express carrier in ASEAN.

The Group completed its subscription of a 44.5 percent stake in PT Satria Antaran Prima (SAPX), an up and coming express carrier, in early 2019. SAPX, which is now listed on the Indonesian Stock Exchange, has more than 60 branches and employs over 2,000 employees. We will continue to work closer with SAPX to harness the synergies between us.

CHALLENGES AND OPPORTUNITIES

In the face of mounting competition, the Group has learnt to "roll with the punches". Instead of being overzealous on intense competition, the Group focussed on improving the capabilities of its workers through education and training, upgrading its capacities in systems and processes, strengthening its information flow and continuously aligning its assets to improve connectivity and customer satisfaction. Our response thus lies in the provision of even better quality service, greater convenience, speedier delivery and more product reliability.

E-commerce is here to stay and it is changing the way business is conducted. The traditional brick and mortar business is also going through a lot of transformation with more digitised systems and processes. Opportunities are plentiful for those who embrace technology and are able to take advantage of the myriad new E-processes that are sweeping the world. The Group is positioning itself for such opportunities through its relentless drive in increased automation and technical innovation.

CHAIRMAN'S STATEMENT
cont'd

THE FUTURE

In uncertain and trying times, it is always prudent to tread carefully than to try and expand aggressively. Nevertheless, opportunities to invest in similar express carrier operations in other parts of ASEAN do present themselves, given the similarity in culture and business environment in the ASEAN countries. The Group is actively exploring such opportunities to see if such businesses meet our investing and operational criteria.

ACKNOWLEDGEMENT

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

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

I am also thankful to our shareholders for their patience and confidence in us.

To the Board of Directors, I would like to express my admiration and sincere thanks for fulfilling your commitment and obligations. I would like to take this opportunity to welcome Ms Low Ngai Yuen and Mr Lai Tak Loi as Directors to the Board. I would also like to thank Mr Woo Keng Leong who has resigned as Director for his contributions.

Last but not least, I want to thank everyone for their valuable contributions. I am hopeful that the year ahead will be better.

Dato' Capt. Ahmad Sufian
Chairman

ENHANCING THE CUSTOMER EXPERIENCE

In our drive for "Continuous Improvement," we constantly roll out new products and marketing innovations that enhance the convenience and experience of GDEX customers. By adapting to the latest in E-commerce technology, we make it easier for customers to use GDEX products from the comfort of their own homes – eg. printing own consignment notes and using on-line payments instead of cash. Log in to mygdex.com for our many product offerings. We also opened up many more new GDEX "Point of Presence (POP)" allowing customers to collect their shipments nearer to their homes instead of having to drive all the way to our lodgement centres. Look out for such GDEX POP centres which may be located in your friendly neighbourhood stationery shop, book store, dry cleaning centre or even your sundry shop.


office
GDEX


MPH


GDEX


DELIVERY SERVICE CENTRE

TEONG TECK LEAN
Managing Director and
Group Chief Executive Officer

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Maintaining the Competitive Edge

Competition in the express delivery services industry has become much more intense despite a slowing of the economy following the protracted trade row between US and China. Demand for express delivery services continued to grow but the downside was that it attracted many newcomers to "gatecrash" an already crowded industry. In fact, competition has become so robust and vicious that many players resorted to throwing prices just to get market share. As a result, most express carriers are operating on much reduced operating margins or even running into losses.

Due to the very challenging environment, the Group posted a decline in earnings. For the year ended 30 June 2019, Group profit before taxation declined 27.4 percent to RM32.4 million. However, Group turnover increased 7.1 percent to RM313.9 million. Group profit after taxation (PAT) also increased 37.7 percent to RM32.5 million.

The Group's EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) declined to RM53.7 million from RM61.4 million previously.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT
cont'd

Operations

In order to maintain its competitive edge, the Group had intensified its efforts to improve every aspect of its operations and service capabilities in the year under review. In particular, the management focused on improving quality through the introduction of new digital-based apps, upgraded the digital infrastructure and systems to speed up the response time for customers. We also emphasised on improving the skillsets and welfare of our people.

Education and Training

The highly competitive nature of the express delivery business has resulted in rampant pinching of skilled and well-trained staff in the industry. To combat this perennial problem, the management has drawn up various programmes to boost the welfare and well-being of employees and offer opportunities academically. We believe a happy, satisfied and well-trained workforce will help in staff retention and improve operational efficiency.

The development of GDEX Academy is one such step. Now in its second year of operations, GDEX Academy has successfully developed a full certified programme with the Jabatan Pembangunan Kemahiran Malaysia (Department of Skills Development Malaysia). Graduates will be able to secure a professional qualification in logistics and express delivery.

Conducted by GDEX's certified trainers, this programme will not only raise the standard of professionalism, but will also create a sustainable pool of educated and skilled workers.

We increased the workforce to ensure our expanded operations are adequately staffed. We took in 297 new employees, increasing our staff strength to 4,285 from 3,988 previously.

In line with our continuous improvement philosophy, we continue to provide year-round training to new and existing staff to ensure there is work familiarisation, upward mobility and talent retention. Our staff underwent a total of 39,287 man hours in training compared to 36,324 man hours previously.

Enhancing Customer Experience

The Group rolled out several innovative packages designed to increase efficiency and provide greater convenience for customers. To enhance customer experience, the Group's call centres are now equipped with VOIP (Voice Over Internet Protocol) technology, which speeds up the response time in answering calls considerably. The Group has also rolled out better access to our services via myGDEX portal platforms which provide better shipping experience for customers.

In our drive to create easier and wider access, we have started introducing new GDEX Point of Presence (POP) by leveraging on the retail outlets of other businesses. We also opened 13 new branches in both Peninsular and East Malaysia, bringing the total number of branches and stations to 98. We also completed the upgrading of the HQ operational hub which will speed up the processing of shipments into and out of the hub.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT
cont'd

To meet the expanded operations, we also commissioned the use of 192 new trucks, bringing the total of trucks in service to 1,261 and raising carrying capacity to 3,580 tonnes from 3,028 tonnes previously.

We also shifted our warehousing and customised logistics service (CLS) operations to a bigger and more modern facility in Shah Alam to accommodate bigger warehousing space and to facilitate our logistics operations.

The review of financial performance is contained in our Management Discussion and Analysis on page 16.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT
cont'd

Collaboration with Third Parties

The Group embarked on a collaborative agreement with RedCargo Logistics, the cargo and logistics arm of the Air Asia group, which will enhance GDEX's reach in the Asia Pacific region. This tie-up will enable GDEX customers to ship their goods more efficiently.

Collaboration with our international co-loaders remain strong as we strive to achieve their last mile fulfillment requirements. Likewise, we continue to maintain close rapport and cooperation with our strategic partners, Yamato and Singapore Post, while continuing to collaborate and share technical expertise with our Indonesian associate PT Satria Antaran Prima.

Investor Relations

We continue to meet regularly with investment analysts and fund managers as we believe a strong pro-investor relations programme is vital to the long term health of the Group. In such meetings, we shared the latest market and corporate developments, as well as articulate on our various corporate activities to bring about better understanding of GDEX's operations.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT
cont'd

Corporate Sustainability

In striving to be a more responsible corporate citizen, the management has put in place a programme of corporate sustainability that will ensure future generations continue to enjoy what we have currently, in terms of resources, training and education.

The management continues to focus and emphasise on our key pillars of corporate sustainability, ie, the Economy (which include the marketplace and the workplace), the Community and the Environment.

Details of our efforts are contained in our Corporate Sustainability Report on page 38.

Acknowledgement

We are always grateful to our customers for their continued support.

I would like to thank our vendors, business service partners and the relevant government agencies for their support.

Last but not least, I would also like to express my sincere appreciation and thanks to the board of directors for their support and guidance.

I look forward to further progress and improvement in GDEX as we strive to fulfil our goal of becoming the leading express carrier in the region.

Thank You.

Teong Teck Lean
Managing Director and
Group Chief Executive Officer

VISION

A Team of Caring and Passionate People;

An Organisation of Sound Values and
Dynamic Processes;

Empowering its Customers with
Value-for-Money Effective Solutions; and

Contributing to the Well-being of the
Community - A Leading Role Model in the
Logistics Service Industry.

MISSION

To Deliver the Most Trusted and
Professional Express Carrier Services in the
Countries We Operate.

QUALITY POLICY

We are committed to ensuring every task is
thoroughly planned and goals understood.
Each process is only completed after
checking that the goals are met.

Whatever we do, we believe that there is
always a better way to carry out the task. We
must strive to discover the better way.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the financial year ended 30 June 2019, the Group continued to remain resilient and delivered positive growth in terms of revenue, despite more intensified competition in the industry. For the financial year under review, the Group continued to incur expenses in growing our domestic operational strength and allocating resources to assist investee companies in growing their strength for long term value creation for the Group. Also, the Group continues in exploring all opportunities in the Region to expand its Regional reach in Southeast Asia.

The Group's profit after tax for the financial year ended 30 June 2019 is strengthened following the reinstatement of pioneer status tax incentive of GD Express Sdn Bhd, a 100% owned subsidiary of the Company for the Years of Assessment 2016, 2017 and 2018 which results in an overprovision of income tax expense amounted to RM9.7 million as disclosed in Note 9 to the financial statements on page 131.

One remarkable achievement for the Group's investment is the Initial Public Offering of PT Satria Antaran Prima Tbk ("SAPX") on 3 October 2018, which has seen its market value grew few folds since listing to date. The Group currently owns 44.5% stake in SAPX.

The Group has also increased its stake in Web Bytes Sdn Bhd to 32.69% on 7 June 2019. Web Bytes Sdn Bhd has charted some remarkable progress as well.

FINANCIAL

Group Statement of Profit or Loss

(RM'000)	Year Ended 30 June 2019	Year Ended 30 June 2018	Change
Revenue	313,858	292,989	7.1%
Operating Expenses	293,903	258,252	13.8%
Other Operating Income	19,916	11,729	69.8%
Profit Before Tax	32,372	44,608	-27.4%
Profit After Tax	32,468	23,627	37.4%
EBITDA	53,735	61,429	-12.5%
EBITDA Margin (%)	17.1	21.0	-3.8 ppts
ROE (%)	7.0	5.4	1.6 ppts
ROA (%)	6.0	4.7	1.3 ppts

In financial year ended 30 June 2019, the Group revenue grew by 7.1% to RM313.9 million compared to RM293.0 million in financial year ended 30 June 2018.

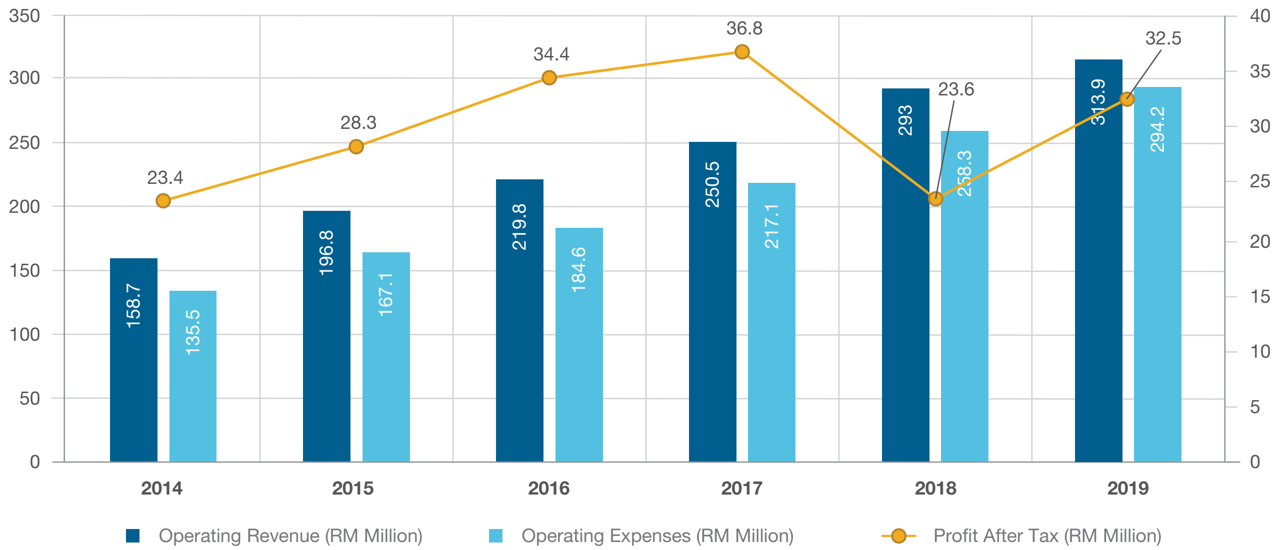
Business-to-business segment delivery ("B2B") continued to be the foundation of the Group by contributing 63% of the revenue, while E-commerce segment delivery ("B2C") has contributed 37% of the revenue. Volume growth has been slowing down compared to previous years due to intense competition as well as capacity restriction for the Group. The Group is currently expanding its capacity to cater for future volume growth.

Our operating expenses are escalating in tandem with higher delivery volume. More operational staff has been recruited and incentives have been revised to ensure the service quality is maintained. On top of that, the Group is also incurring expenses for its regional expansion and investment projects, of which Advisory personnel were sent to assist the investee companies to improve in areas such as governance, financial, operations and technology.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

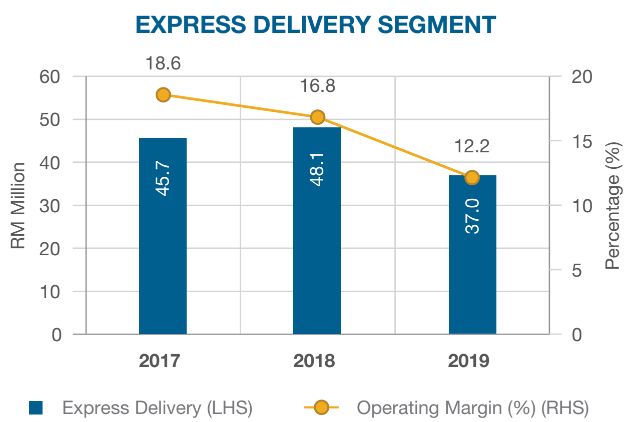
Despite all the expenses for business growth, operational expansion and investments, the Group is still sustaining positive Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") at the margin of 17.1%, which is still generating positive operating cash flow for the Group to reinvest for future expansion.

Going forward, the Group will strive to maintain the operational efficiency by handling the business volumes via more efficient manner such as digitalization approach and automated process.



Segmental Performance

(RM'000)	Year Ended 30 June 2019	Year Ended 30 June 2018	Change
Segmental Revenue:			
Express Delivery	304,196	286,095	6.3%
Logistics	9,100	6,528	39.4%
Property Investment	562	366	53.6%
Total	313,858	292,989	7.1%
Segmental Profit/ (Loss):			
Express Delivery	36,970	48,135	-23.2%
Logistics	(1,117)	652	-271.3%
Property investment	(1,706)	(976)	74.8%
Total	34,147	47,811	-28.6%



MANAGEMENT DISCUSSION AND ANALYSIS
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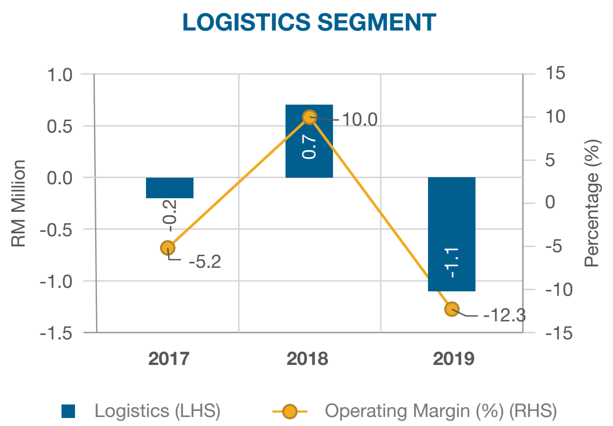
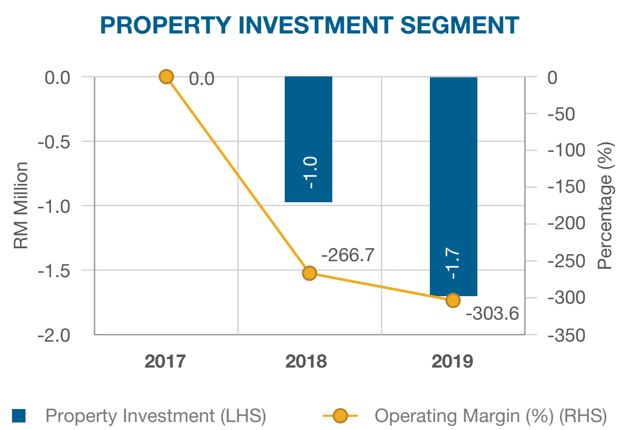




Express Delivery division remains the core business of the Group. The growth in revenue for Express Delivery division was mainly due to growing demand for delivery service. However, the operating margin for Express Delivery division has dropped by 4.6 ppts in financial year ended 30 June 2019 compared to financial year ended 30 June 2018 due to the intense pricing competition as well as the increase in operating expenses, as mentioned above.

Revenue for Logistics division has grown positively as it acquired more new customers in financial year ended 30 June 2019 after moving to new warehouse in Shah Alam, with total warehouse space increased to approximately 230,000 sqft from 150,000 sq ft previously at the old premise. Operating costs has increased due to heightened rental cost in the new warehouse.

Property Investment division is a segment formed in the Group post the acquisition of GDEX Properties Sdn Bhd, all properties assets acquired during the financial year ended 30 June 2019 parked under this entity.

Group Statement of Financial Position

(RM'000)	As at 30 June 2019	As at 30 June 2018	Change
Property, Plant & Equipment	108,638	85,850	26.5%
Trade Receivables	51,539	51,011	1.0%
Other Receivables & Prepaid Expenses	22,777	17,558	29.7%
Deposits with Licensed Banks	237,443	253,637	-6.4%
Short Term Investments	12,200	17,036	-28.4%
Cash & Bank Balances	30,060	32,640	-7.9%
Total Equity	**479,164**	**449,681**	**6.6%**
Hire Purchase Payable	40,187	41,219	-2.5%
Other Payables & Accrued Expenses	26,189	19,666	33.2%
Total Assets/Total Equity and Liabilities	**555,635**	**518,055**	**7.3%**
Net Asset Per Share (RM)	**0.08**	**0.08**	**-**
Debt/Equity Ratio (x)	**0.08**	**0.09**	**-**

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

The total liquid financial instrument as of June 2019 is RM279.7 million, which comprises of deposits, cash and short-term investments. The Group maintained its stance to keep the balance sheet as solid as possible during this challenging period and being more prudent in any investments/expenses. The Group does not assume any bank borrowings other than hire purchase financing during the financial year ended 30 June 2019. Cash flow remained healthy for the Group expansion and growth.

Group Statements of Cash Flows

(RM'000)	Year Ended 30 June 2019	Year Ended 30 June 2018	Change
Net Cash generated from Operating Activities	26,219	27,095	-3.2%
Net Cash used in Investing Activities	(7,781)	(55,265)	-85.9%
Net Cash used in Financing Activities	(21,143)	(13,787)	53.4%
Net Change in Cash & Cash Equivalents	(2,705)	(41,957)	-93.6%
Cash & Cash Equivalents at end of the year	**30,060**	**32,708**	**-8.1%**

INVESTMENTS

Regional Expansion in Southeast Asia

SAPX in Indonesia

To recap, the investment in SAPX started with GDEX's subscription to its 5-year convertible bonds of IDR30,000,000,000 (approximately RM10,380,000) on 27 December 2016.

After more than a year of collaboration, GDEX has successfully assisted SAPX to be able to meet the requirements for the listing on the Development Board of Indonesia Stock Exchange (IDX) and the listing was completed on 3 October 2018. The Company and two of its wholly-owned subsidiaries namely, GDEX SEA Sdn Bhd and GD Valueguard Sdn Bhd (collectively known as "GDEX Companies") subscribed to 370,883,300 new ordinary shares at the issue price of IDR250, for a total cash consideration of approximately IDR92,708,325,000 (equivalent to approximately RM26.6 million).

As such, GDEX Companies hold collectively 44.5% stake in SAPX, whereby GDEX and its two wholly-owned subsidiaries companies, GDEX SEA Sdn Bhd and GD Valueguard Sdn Bhd holds approximately 16.5%, 18% and 10% respectively.

Following the IPO exercise, SAPX has redeemed the convertible bonds in SAPX for IDR67,200,000,000 (equivalent to approximately RM17.3 million), on 17 October 2018.

For the convertible bonds redemption, the Group get to recognize a one off gain of IDR37,200,000,000 (approximately RM7.9 million), in the Other Income of our financial statement. The share of loss from associates of RM5,440,282 was mainly due to the share of loss of RM5,443,811 from SAPX after the redemption.

Despite challenging operating environment in Indonesia, SAPX has portrayed significant financial growth, recording growth of revenue of 70% year-on-year and profit before tax of approximately IDR13,086,113,015 (equivalent to approximately RM3.89 million) in for its first 6 months of operations in its financial period ended 30 June 2019.

Note: Shareholders can refer to SAPX' financial report in IDX Website or SAPX website at https://www.idx.co.id/ and https://www.sap-express.id/ respectively.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

Strategic Investments

Web Bytes Sdn Bhd

GDEX has bought 30% equity stake in Web Bytes Sdn Bhd from Teak Capital on 16 December 2016, for consideration of RM5.5 million.

Further to that, GDEX has subscribed to additional 4,000 new ordinary shares of Web Bytes Sdn Bhd on 7 June 2019 for total consideration of RM2.2 million. With the 30% stake acquired since December 2016, GDEX now holds 32.69% in Web Bytes Sdn Bhd.

As compared to 2016, Web Bytes Sdn Bhd has significantly increased its overseas exposure, marking presence in over many countries including Southeast Asia region thanks to its cloud-based solution, which has the flexibility to be deployed in any countries around the world. Today, its cloud-based point-of-sales (POS) system - Xilnex is in over 3,000 outlets, with an average daily of 3 million transactions.

On 19 June 2019, Web Bytes Sdn Bhd has received the Letter of Award from Malaysia Airports Holdings Berhad (MAHB) for a project to supply their POS system to all Malaysia Airport. The maximum utilization contract sum is RM36,296,400. The implementation period for the project is 5.5 months commencing 15 July 2019, and leasing period of 5 years starting 1 January 2020 (which may be extended one (1) year and another (1) year on the same terms and conditions).

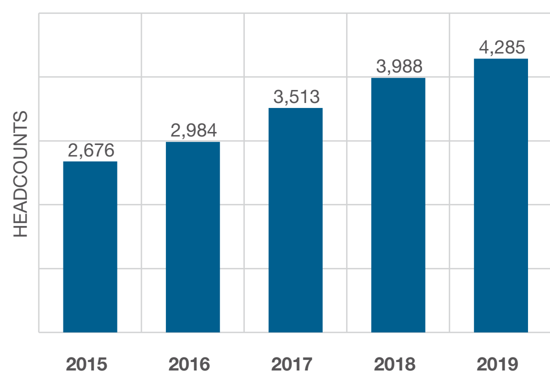
One of the key reasons GDEX acquired 30% stake in Web Bytes Sdn Bhd is to create technological synergies within the Group. Web Bytes Sdn Bhd's knowledge and technical know-how in the cloud computing and new era technology has been very helpful in assisting the Group in co-development projects to enhance operational efficiencies.

Alp Capital Sdn Bhd

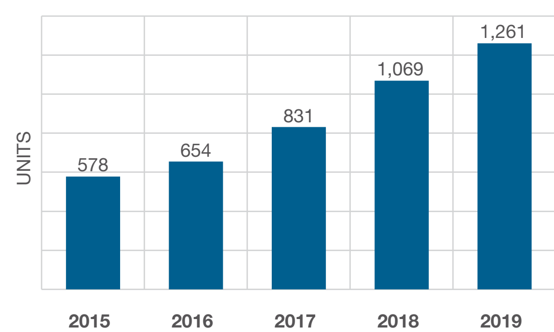
Alp Capital Sdn Bhd ("Alp Capital") is a 90% owned subsidiary of Web Bytes Sdn Bhd, 10% owned by the founder/Chief Executive Officer. GDEX subscribed to the first tranche (out of ten) of its A Redeemable Convertible Preferential Shares (A-RCPS) worth RM500,000 on 3 January 2019, providing funding for Alp Capital to operate. The principle activity of Alp Capital is to provide facilitation in the B2B and supply chain transaction, via its platform and technology.

OPERATION

STAFF STRENGTH



FLEET SIZE (NO. OF TRUCKS AND VANS)



MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

The Group has also expanded its sorting hub capacity to handle bigger volume. Apart from the Headquarter Hub in Petaling Jaya, the Group is also operating another 4 regional hubs, namely, Northern Hub in Penang, Southern Hub in Johor, Western Hub in Perak and Kuching Hub in Kuching. The Group also has expanded its fleet size to 1,261 units of vehicles in financial year ended 30 June 2019 from 1,069 units in financial year ended 30 June 2018. This is to cater for the Delivery volume growth especially in the E-commerce segment.

In line with the business volume growth, the Group has a total workforce of more than 4,285 headcounts as of June 2019.

MOVING FORWARD

The Group expects the competition within the industry to remain intense due to influx of new players with pricing strategy and operating in a more agile model leveraging on technology. The Group is positioning itself to embrace the challenge by continuing to improve its operational capabilities and innovations to stay relevant and ahead of its competitors. Meanwhile, the Group is pro-actively seeking for strategic investment opportunities to enhance its long-term competitiveness.

CONTINUOUS BUZZ AT GDEX HUB

The rapid growth of GDEX's express delivery services has necessitated the continuous expansion at our all-weather hub in Petaling Jaya. From a mere operating space of 20,000 sq feet, the GDEX Hub has grown five-fold, with the automatic conveyor belt system extended many times over to cater for the increased shipment volume. The hub expansion has enabled operations to be better streamlined, reduced inbound and outbound traffic congestions and facilitated the smooth sorting of shipments to its various destinations. The hub also has separate lanes for co-loaders and overseas shipments, as well as scanners and other security features to safeguard and monitor the whole process.


GDEX

BOARD OF DIRECTORS

standing from left to right:

LEE KAH HIN

LIM CHEE SEONG

TEONG TECK LEAN
(Managing Director/
Group Chief Executive Officer)

DATO' CAPT. AHMAD SUFIAN
(Chairman)

BOARD OF DIRECTORS
cont'd

LIEW HENG HENG

ADI ARMAN BIN ABU OSMAN

LOW NGAI YUEN

LAI TAK LOI

CHUA KHING SENG

DIRECTORS' PROFILE

DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID

Independent Non-Executive Chairman
Malaysian, Male, aged 70

Dato' Capt. Ahmad Sufian was appointed to the Board on 8 February 2005. He is currently a member of the Combined Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee. He is the Independent Non-Executive Chairman of Malaysian Bulk Carriers Berhad, and an Independent Director of PPB Group Berhad. He is a qualified Master Mariner with a Master Foreign-Going Certificate of Competency from the United Kingdom in 1975 and a Diploma in Applied International Management from the Swedish Institute of Management in 1984. He attended the Advanced Management Program (AMP) at Harvard in 1993. Dato' Capt. Ahmad Sufian is a Fellow of the Chartered Institute of Logistics and Transport and the Malaysian Maritime Institute. He has over 45 years of experience in the international maritime industry.

TEONG TECK LEAN

Managing Director/Group Chief Executive Officer
Malaysian, Male, aged 59

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 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 year 2000, he acquired a controlling stake in GD Express Sdn Bhd. He was instrumental in turning around the Group by putting in place corporate policies and best practices which cumulated in the listing of GDEX on the MESDAQ Market (currently known as ACE Market) on Bursa Malaysia Securities Berhad 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.

LIM CHEE SEONG

Executive Director/Chief Financial Officer
Malaysian, Male, aged 53

Mr Lim was appointed to the Board on 10 April 2015. He 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 GD Express as General Manager, Finance in May 2011 and was promoted as Chief Financial Officer in February 2014. He is involved in the strategic planning of the Group. Mr Lim had obtained and holds the following memberships and qualifications:

- Certificate and Diploma in Taxation from HELP Institute (currently known as HELP University)
- Certified Accounting Technician and 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)
- Professional member of the Institute of Internal Auditors Malaysia (IIA)
- Member of the ASEAN Chartered Professional Accountants (ACPA)

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

DIRECTORS' PROFILE
cont'd

LEE KAH HIN
Executive Director/Chief Investment Officer
Malaysian, Male, aged 33

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 Asia Top 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.

LIEW HENG HENG
Independent Non-Executive Director
Malaysian, Female, aged 62

Ms Liew was appointed to the Board on 8 February 2005. She is currently the Chairperson of the Audit and Risk Management Committee and a member of the Combined Nomination and Remuneration Committee. She graduated from Systematic Institute Kuala Lumpur in 1993 and holds a certificate from the Chartered Institute of Management Accountants in 1993. She started her career as an Accounts Assistant with the New Straits Times Berhad in 1981. She then joined several other companies holding positions of Accounts Supervisor, Audit Assistant and Assistant Accountant. She completed her CIMA Certification in 1993 and joined Niramas Sdn Bhd as Accountant. From 1997 to 2002, she joined Southim (M) Sdn Bhd as Accountant before assuming the role of a Senior Finance and Administration Manager in Bison Stores Sdn Bhd where she is currently based. In 2012, she was redesignated as Senior Manager, Business Analyst. She is a member of Malaysian Institute of Accountants (MIA) since 1994.

ADI ARMAN BIN ABU OSMAN
Independent Non-Executive Director
Malaysian, Male, aged 45

Encik Adi was appointed to the Board on 3 July 2013. He is currently the Chairman of the Combined Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee. He graduated in 1997 with a BSc (Economics) degree with Honours in Accounting and Finance from London School of Economics and Political Science (LSE). Encik Adi has a wide range of experience in private equity investment. He was attached to BIMB Venture Capital Sdn Bhd in Malaysia in 2001, and later at Private Equity Division of Malaysia's Employees Provident Fund in 2005 and CMS Opus Private Equity Sdn Bhd in 2006. He is currently an Executive Director at Benua Ekuiti Sdn Bhd.

DIRECTORS' PROFILE
cont'd

LOW NGAI YUEN
Independent Non-Executive Director
Malaysian, Female, aged 43

Ms Low was appointed to the Board on 1 November 2018. She is currently a member of the Audit and Risk Management Committee. She started her career as part of the inception team of the radio station, WOWfm; 97.6 in 1999. In 2000, Ms Low started hosting a talkshow named 3R, a women's program on TV3. She was the Executive Producer and Content Creator of various production companies and New Vision Media Sdn Bhd from 1999 to 2008. She had created, produced and directed numerous highest rated TV programmes in Malaysia and regional countries. In 2008, she joined the French multinational retailer Carrefour Malaysia & Singapore as a Marketing and Communications Director to revitalize worldwide and local markets of the retail business brand. She worked at this company until 2012. She is actively involved with community building and social purpose organisations from 2010 until present. She is the Executive Director/Chief Executive Officer of Global Entrepreneurship Movement Association, President of Persatuan Kakiseni, Founder and President of WOMENgirls, Pertubuhan Pembangunan Kendiri Wanita Dan Gadis. She is also co-founder of three (3) business service companies namely Makespace, Fearless Ideas Sdn Bhd and Garang Pictures Sdn Bhd. Ms Low also served as an Executive Director of WCIT2020 Sdn Bhd, a wholly owned subsidiary of PIKOM (National ICT/Tech Association).

Ms Low was named Malaysian Business' 30 Notable and Successful Women of Malaysia in 2019, Woman Icon 2019, University College Tunku Abdul Rahman's Top 50 Outstanding Alumni, IVLP Fellow for Women in Entrepreneurship 2017 (USA State Department), Champion for Entrepreneurship 2017 (conferred by the Raja Muda Selangor), Tokoh Wanita Muda 2015 (Hari Wanita Malaysia by National Council of Women's Organization), Elevate Fellows 2015 (12 most innovative youth, international search by British Council UK), Bella Creative Award 2013 (ntv7), Great Women of Our Time 2012 (Media and Arts, The Women's Weekly) and Young Achiever of the Year 2007 (HER WORLD Women 2007). She also won many other awards for her works.

CHUA KHING SENG
Non-Independent Non-Executive Director
Singaporean, Male, aged 61

Mr Chua was appointed to the Board on 26 May 2016. He obtained his Bachelor of Mechanical Engineering degree in 1982 from the Tokyo Institute of Technology in Japan under the Japanese Mombusho and Singapore Government scholarships.

Mr Chua is currently an Executive Officer of Yamato Holdings Co., Ltd. ("Yamato Holdings") in Japan and also serves as a Director of Yamato Asia Pte Ltd ("Yamato Asia"). Yamato Holdings is a public listed corporation in the Tokyo Stock Exchange and is the largest parcel delivery service company in Japan with its Ta-Q-Bin having over 40% of the Japanese market. Yamato Asia is a 100% subsidiary of Yamato Holdings.

Before joining Yamato, Mr Chua was the Managing Director of Yusen Logistics Singapore. Yusen Logistics group is a subsidiary group of the NYK Shipping group. Mr Chua started his career with Yusen Logistics in 1999 as the General Manager for Corporate Planning and Marketing. He also oversaw the CIO and Sales responsibilities concurrently in 2001-2002. He was promoted to a board director in 2003 and put in charge of South Asia & Oceania Region. In June 2005, he became the first non-Japanese Managing Director of an overseas company in the Yusen Logistics group worldwide.

During his tenure with Yusen Logistics, he helped set up a Joint Venture ("JV") in Thailand as a spin-off in 2002 and played a pivotal role in the identifying of partners in the Shanghai JV in 2002. In 2004 he set up the JV in Vietnam to tap on the growing markets for logistics and international freight services in Vietnam.

Mr Chua serves as the Honorary Secretary of the Singapore Aircargo Agents Association SAAA@Singapore (2009-2017) and is also one of the Past Presidents of The Japanese University Graduates Association of Singapore (2008-2012).

DIRECTORS' PROFILE
cont'd

LAI TAK LOI
Non-Independent Non-Executive Director
Malaysian, Male, aged 49

Mr Lai was appointed to the Board on 1 October 2019. He joined Singapore Post Limited ("SingPost") in August 2018 and currently is the Group Chief Financial Officer ("Group CFO") of SingPost. He is responsible for overseeing all financial matters including financial reporting, taxation, risk management and treasury functions of the SingPost Group. Before assuming his current role, he served as Group CFO at GuocoLand Limited, part of the Hong Leong Group Malaysia for almost four years. Prior to that, Mr Lai served as CFO for other SGX-listed entities in engineering, real estate and infrastructure industries. He had also served as Deputy Chief Executive Officer ("CEO") and subsequently, was appointed CEO of Mapletree Logistics Trust Management before leaving to start his own real estate capital management firm, LABRO Capital. Mr Lai was also previously a banker in various capacities with various banks and financial institutions including Standard Chartered Bank, Schroders and Arab-Malaysian Merchant Bank (now known as AmInvestment Bank Berhad).

Mr Lai has more than 27 years of experience in the financial, property and banking industries; holding key roles in finance, banking, asset management, mergers & acquisitions (M&A) and logistics.

Mr Lai holds a Bachelor in Economics (Honours) with a major in Accounting and Finance from the University of Manchester, United Kingdom.

Mr Lai is a member of Malaysian Mensa Society.

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 year ended 30 June 2019.

4. ***Attendance at Board Meetings***
   Details of the Directors' attendance at the Board Meetings are disclosed in the Corporate Governance Overview Statement on page 52 of this Annual Report.

KEY SENIOR MANAGEMENT

standing from left to right:

KWOK NGUK MOOI **SIA MING DIONG** **CHONG HUI CHUEN** **THOO SIN KHEW**

KEY SENIOR MANAGEMENT
cont'd

KEY SENIOR MANAGEMENT PROFILE

CHONG HUI CHUEN

Chief Operating Officer
Malaysian, Female, aged 38

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 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 and the Fleet Division.

CHAN LAI WAH

General Manager, Corporate Group
Malaysian, Female, aged 61

Ms Chan holds a Diploma in Private Secretaryship from the Bedford Secretarial College in 1990. She started her career as an Administrative Officer with the Town Planning Unit of the District Council of Johore in 1979 and joined several other companies as Sales Secretary and Administrative Secretary. In 1990, she joined Nationwide Express as Confidential Secretary to the Chief General Manager. From 1991 to 1995, she joined Federal Express Malaysia as Executive Assistant to the Managing Director and later as Regional Executive Assistant to the Vice President of Federal Express Corporation in Singapore. Ms Chan joined GD Express in 1997 as Executive Assistant to the Managing Director. In 2002, she was promoted as Manager, Corporate Development. In 2005, she was further promoted as Deputy Head of HQ Division cum Corporate Development Manager, assisting the Chief Executive Officer's Office in overseeing all functional departments in the Group. In 2008, she was promoted as Head, Corporate Support Group which oversees Human Resource, Administration, Training, Security and Investigation, Facility Management, Domestic, Public Relations and Communications, Corporate Affairs and Corporate Compliance Unit. In 2010, she was promoted as General Manager, Corporate Group. She oversees the corporate secretarial work relating to regulatory and statutory matters. She also handles public relations and administrative duties of the Group.

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

KEY SENIOR MANAGEMENT PROFILE
cont'd

KWOK NGUK MOOI
Head, Quality Assurance, Risk Management and Measurement Group
Malaysian, Female, aged 45

Ms Kwok holds an International Advanced Diploma in Computer Studies from Informatics College in 1997. She started her career as EDP Officer with Swiss-Garden Resort Damai Laut in 1997. Ms Kwok joined GD Express in 2001 as Senior Finance Executive and was promoted as Assistant Manager and later as Manager in the Billing Department before assuming her present position. She is responsible for the full compliance of the Group's policies and procedures. On 5 March 2011, she received certification from American Society for Quality (ASQ) as Manager of Quality/Organizational Excellence. She is an Associate Member of The Institute of Internal Auditors Malaysia.

MARMIZAHSALWA AHMAD TARMIZI
Senior Manager, Special Projects
Malaysian, Female, aged 38

Cik Marmizahsalwa graduated with a Vice-Chancellor Award in Bachelor of Business Administration (International Business) First Class, from University Technology MARA in 2005. She was among the first batch of students selected under the GDEX scholarship programme. Upon her graduation in 2005, she joined GD Express as an executive in the Corporate Planning and Development Department. She was promoted as Head of Customer Service in 2007. In 2008, she was appointed as Head of Domestic, Public Relations and Communications. In 2011, she was given additional responsibility as a Manager for Corporate Planning and Development. In 2012, she was appointed as Head of Corporate Planning and Development. In August 2013, she was appointed Head, Country Operations in charge of planning and coordination of courier operations for Malaysia and Singapore. In July 2015, she was reassigned as Senior Manager, Special Projects in the Chief Operating Officer's Office to handle all corporate development projects.

Cik Marmizahsalwa is the Honorary Deputy Secretary of the Association of Malaysian Express Carriers (AMEC).

KEY SENIOR MANAGEMENT PROFILE
cont'd

THOO SIN KHEW
Head, Business Group
Malaysian, Male, aged 54

Mr Thoo graduated with a Bachelor of Science (Statistics-Chemistry) from the Campbell University of North Carolina, USA. He joined the Sime Darby Group - Malaysian Region as Management Trainee and upon completion of the 1-year training was attached to its subsidiary company, Sime Inax as Assistant Marketing & Sales Manager cum Business Development for 6 years with mission to source for complimentary products from the USA, Europe and Asia regions. He later joined the UMW Group as OEM Sales Manager being in-charge of Automotive Spare Parts for major Corporate clientele, namely Toyota, Daihatsu, Proton & Perodua, including Retail accounts for a total period of 16 years before moving on to join GD Express in 2010 as Head of Sales under the Business Group. In July 2015, he was promoted as Head of Business Group which oversees Sales, Business Development and Marketing He is responsible for the full compliance of sales policies and achieving the sales and collection targets of the Group.

SIA MING DIONG
Head, Information Technology
Malaysian, Male, Aged 56

Mr Sia graduated with a Bachelor of Science Degree from Monash University, Victoria, Australia in 1986. He has over 20 years of Information Technology (IT) experiences, starting as Analyst Programmer with Link Automation Pte Ltd in 1988. He joined Systems Design Pte Ltd as Systems Engineer in 1989. Mr Sia worked as IT Consultant in Gleneagles Hospital Singapore in 1992, and as IT Manager with Raffles Medical Group Ltd in 1996. He was Group IT Manager with United Malayan Land Bhd in 2000 and Atlan Holdings Bhd in 2007 prior to joining GD Express as IT Manager in 2013.

KEY SENIOR MANAGEMENT PROFILE
cont'd

ONG CHONG ENG
Advisory, Special Project
Malaysian, Male, aged 56

Mr Ong graduated from Systematic Institute of Information Technology, Singapore in Business Computing in 1984. Along his working career he had obtained industrial certifications in project management, business process management, HR development, server system engineer.

His first 4 years of working career were primarily in IT technical positions, starting with Digital Electronics in 1984. He moved on to business process automation with Liveware Technologies for the next 10 years.

For the past 14 years, he had been in operation and management consulting, project management and business development, with Halal eCommerce, Kong & Co, SPAD, EPF and Matrix Optics, prior to joining GD Express in October 2016.

AHMAD FADZIL BIN LOKMAN
Head, Courier Division
Malaysian, Male, aged 47

Encik Ahmad Fadzil completed his A Levels with a Higher School Certificate in 1991. He started his career as Sales Promoter and later as Senior Sales Executive for Eastern Decorator Sdn Bhd, a home furnishing company in 1993. He later joined General Paper Product Sdn Bhd as Senior Sales Coordinator in 2000. Encik Ahmad Fadzil joined GD Express in 2007 as Regional Sales for Central Region. He was later promoted to Regional Manager for Central Region in 2010. In 2013, he was reassigned to head Courier Team D and to oversee the Central Region, Southern Region I, Sabah and Sarawak Regions. A year later in 2014, he was given added responsibility to lead the Petaling Jaya Headquarters Operations, the Klang Valley Region and the Eastern I & II Regions. In July 2015, he was reassigned as Head, Operational Sales, a department under the Country Operations Office, to oversee the sales and credit performance of the entire network. In 2018, he was promoted and appointed as Acting Head, Courier Division. In his current position, he is responsible for Operational Sales, Operational Monitoring & Internal Relations, Operations Support, Quality Control & Customer Relations and the 18 Regions of GDEX entire network.

Save as disclosed above, none of the key senior management:

1. *Hold any directorship in public companies and listed issuers.*
2. *Have any family relationship with any Director and/or major shareholder of the Company.*
3. *Have any conflict of interest with the Company.*
4. *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 year ended 30 June 2019.*

CONSERVING THE ENVIRONMENT

Expanding the express delivery business and increasing revenue is not GDEX's sole raison d'être. We also take social responsibility seriously so that future generations can continue to enjoy the many natural resources the country is blessed with. One of these natural resources is the conservation of mangrove swamps which is fast disappearing due to encroaching development. Mangroves swamps help preserve the eco-diversity of the land and enables many different species of plants and animals to grow and thrive. In April this year, 30 volunteers from the GDEX group set out to Taman Alam in Kuala Selangor to learn about mangrove conservation and participated in the planting of mangrove saplings in the forest reserve. It was indeed an enriching experience for our staff.


GDEX
Environmental Education
and Mangrove Planting
Programme
2019

CORPORATE SUSTAINABILITY REPORT 2019

INTRODUCTION

In the current environment of extremely tough competition exacerbated by global trade uncertainty, it has become increasingly difficult for companies to sustain profitable operations, let alone maintain their growth trajectories. The express delivery industry is beset with many challenges. These include excess capacity caused by the entry of many new well-funded players, cut-throat competition, technology changes giving rise to obsolescence, rapid evolvement of E-Commerce and changing consumer tastes that threaten its viability.

With all the above challenges, it is imperative that GDEX evolves a corporate sustainability plan that will ensure its viability and growth for years to come. It has to come up with the right strategy to produce the correct product mix, put in the necessary processes and infrastructure, and train a dedicated and skilled workforce while ensuing external factors continue to work in its favour.

The Group looks to create long-term consumer and employee value that is environment friendly, while taking into every consideration how the business will operate in the social, cultural, and economic environment. It also has to develop policies that foster longevity by practicing transparency, ethical practices and proper employee development.

GDEX's corporate sustainability programme also strives to meet and deliver key performance index (KPIs) targets and financial returns as well as increase revenue, reduce waste and energy expenses, increase employee productivity and commitment. Ultimately, it should lessen strategical and operational risks.

The development of its corporate sustainability plans started in late 1990s when the Group underwent a total management revamp that changed its operational, financial, human resources and marketing structure significantly. The new management adopted a policy of employee empowerment and "continuous improvement", and introduced many new technical innovations to its operations. It also sought the latest ISO certifications in quality management system (QMS) and environmental management system (EMS). It secured its ISO 9001:2000 certification in 2003, the first domestic express carrier to do so. This international certification that recognizes world standard quality processes was upgraded twice – to ISO 9001:2008 in 2009 and ISO 9001:2015 in 2016. In 2012, it obtained ISO 14001:2004 certification for environmental management system (EMS) and was further upgraded to ISO 14001:2015 in 2016.

Both QMS and EMS systems were integrated as Quality and Management Systems to facilitate operations procedures complying with two international standards.

GDEX's corporate sustainability policy, while not set in stone, has constantly evolves round the above considerations. Today, it has narrowed down to its four pillars of sustainability, that is, the economy, the people, the workplace and the environment.

CORPORATE SUSTAINABILITY REPORT 2019
cont'd

I. THE ECONOMY

Coming to grips and understanding the economy around us – the social-economic and geo-political trends, as well as embracing technological innovations are key factors. The express courier service is not just about receiving and delivering documents or parcels. It is also about connecting people with goods, services, ideas and technologies to create opportunities in the marketplace.

GDEX, in striving for continuous improvement and building strong partners and strategic alliances, is making these connections which result in greater conveniences and better customer experience as well as generating more jobs, foster economic prosperity and lifting communities to higher standards of living.

To ensure our business sustainability in this area, we focus on the following:

- Customers
- Suppliers, Vendors and Business Partners
- Government and Regulator
- Shareholders and Investors
- Private Sector Education

Customers

The customer is everything to us, and delivering a positive customer experience is our priority. With society moving towards a cashless market environment, it has become important for the Group to offer credit card and on-line payments like E-pay, Boost, etc for the convenience of customers. The Group has also developed apps that enable customers to print their own consignment notes in the comfort of their homes or offices, thus saving their time.

It is essential that our customers have easy access to our services. We have upgraded and modernised our call service centres which are now equipped with VOIP (Voice Over Internet Protocol) technology. Customers can easily access any department, even in the absence of an operator. Customers can also go on-line to the GDEX website via mygdex.com or access its products and services through Facebook or Twitter.

To ensure easier access and greater convenience for customers, we introduced GDEX Point of Presence (POP) outlets. These outlets can be found in your neighbourhood, such as stationery shop, dry-cleaning centre and even sundry shop. To date, we have opened more than 300 POP outlets that complement our 200-over sales branches and outlets.

We also ensure relevancy in our products and services by offering cost effective and innovative product packages including enhanced liability coverage and one-stop solutions. thus, ensuring timely and secured delivery to meet customer needs and satisfaction.

Besides providing reliable door-to-door delivery services of documents and/or parcels, we also provide same-day delivery, express delivery service for time-sensitive and high value goods and other value added services such as risk management and insurance coverage.

To provide top-of-mind recall for customers, we conduct regular sales promotion campaigns and sponsorships of events to remind the public of our various products and services.

CORPORATE SUSTAINABILITY REPORT 2019
cont'd

For customers requiring comprehensive logistical and warehousing services, we provide customised logistics solutions where its services include security handling for high value items, managing mailroom operations and handling logistics and distribution arrangements.

Our freight forwarding and warehousing division is another important component in our drive to provide integrated logistical solutions to meet the evolving needs and requirement of our customers. Covering more than 200,000 sq ft of warehousing space, this expanded division houses the bulk handling of inbound and outbound goods as well as storage for temperature – sensitive goods.

We have also developed a nationwide transportation network with the necessary infrastructure that links every town and city to our services. This ensures there is adequate logistics support and expertise to assist customers in logistics needs.

Suppliers, Vendors and Business Partners

Our suppliers, vendors and business partners are a vital part of our business operations. They provide the machinery and equipment that keep the Group's operations working efficiently. We enforce strict criteria in the selection and evaluation of our suppliers, vendors, agents and contractors to ensure they meet and comply with ISO Certification quality and environmental standards. We also expect them to continually keep abreast of all technological changes that have a positive impact on the products and services provided to the Group. The vendor for our GDEX trucks and vans, for instance, provides specialised training for drivers and also sponsors management and technical staff on familiarisation tours to their factories in Japan.

Our suppliers and vendors are also expected to organise regular workshops and seminars to ensure our technical staff are fully trained and capable of handling the products used. Every year, we conduct supplier evaluation exercise to ensure suppliers and vendors meet the quality standards set by the Group.

Our business partners, the international co-loaders in particular, are provided with every convenience to ensure the last mile delivery shipments are carried out efficiently. We prioritised their needs by creating special lanes for co-loaders' shipments to be off-loaded, sorted and delivered in the quickest time possible.

Government and Regulator

The government, through the Malaysian Communications and Multimedia Commission (MCMC), is the main regulatory body for the express delivery industry. We continue to actively engage the regulatory authorities through the Association of Malaysian Express Carriers (AMEC) to fine-tune the long-term development of the express carrier industry, particularly in areas of education, road safety and orderly industry growth.

We also gave inputs into the training and building of skills set to enhance the human resource aspect of the industry. We also provide them with quarterly statistical surveys and collaborate with them on customer surveys.

CORPORATE SUSTAINABILITY REPORT 2019
cont'd

We also liaised with other regulatory authorities such as Road Transport Department (JPJ), Safety and Health Regulators (DOSH), Malaysian Institute of Road Safety Research (MIROS) and Traffic Police Division in matters concerning our own road safety activities and other developments. We hold an annual road safety competition which is endorsed by JPJ, DOSH, MIROS and the Traffic Police Department.

Shareholders and Investors

Our shareholders are always our top priority. Our Board of Directors, representing shareholders' interest, meet regularly, (at least five times a year) to ensure the Group is managed in a responsible, transparent and profitable manner with the required corporate governance and cost controls in place. The Board works closely with management to ensure there is continued and sustainable growth with dividends to reward shareholders and attract potential investors.

Shareholders and potential investors are kept informed of latest developments through its investor relations website and official publications such as annual report, announcement of quarterly results and other important corporate announcement. We also organise regular briefings for investment analysts to update their knowledge and understanding of the Group.

As part of Bursa Malaysia's requirements, we are required to announce quarterly financial results and present an Annual Report for shareholder's approval at an Annual General Meeting.

II. THE PEOPLE

Our people are our biggest assets and we spare no efforts to provide them with the necessary training, motivation and incentives to nurture and grow their talents. This is especially so, given the rampant pinching of experienced staff by our competitors, many of whom are new and lacked skilled manpower. In developing our human capital, we also strive to ensure our people work in a safe and healthy environment where there are enough incentives and room for continued career development. The following programmes and incentives are designed to build loyalty and strengthen the commitment and dedication of our people:

Training

We provide regular and structured training to all levels of staff, from incoming recruits to front-line service staff, couriers, drivers, supervisors right up to middle and senior executives. Our Pembangunan Sumber Manusia Berhad (PSMB) certified trainer works closely with management to plan rigorous training programmes that enhance the professional as well as interpersonal skills and knowledge of our employees.

CORPORATE SUSTAINABILITY REPORT 2019
cont'd

Our Multimedia Remote Learning programme, launched in 2011, has undergone numerous upgrades and improvements to reflect the latest teaching and learning techniques. This programme enables the training to reach our vast network in all parts of Peninsular and East Malaysia. In the process, it has raised the number of training hours to an average of 38,000 hours from 35,000 hours previously and reduced training costs substantially.

We also send our executives to attend specialised management seminars and participate in workshops and industry exhibitions so that they are kept abreast of latest development and changes in the logistics industry. Some of the programmes attended included the Unclaimed Moneys Act, Personal Data Protection Act, Risk Management & Management Seminars and MFRS 9 &15 Accounting Standards organized by the relevant agencies.

GDEX Academy for education and on-the-job training

GDEX Academy is a purposed-built educational centre and is set up for both our staff as well as school leavers to experience first-hand proper training in express delivery. Launched in 2018, this Academy is manned by certified operational personnel in the Group and will provide students with actual on-the-job logistics and express delivery operations. Students will graduate with a professional certificate in logistics which should prepare them for a rewarding career in the express delivery industry. It is envisaged that there will be a steady stream of new professionally-trained workers for the express delivery industry when GDEX Academy is up and running.

Network Conference and Team-building

No organization can operate in a silo-like environment where staff lacks interaction with their colleagues. GDEX makes it a point to organise a network conference annually where executives from supervisory level onwards, come together from all over the country to share their work experience and to be briefed on the Group's plans and directions going forward. It is also a time for bonding and re-affirming their commitment and solidarity to the Group's vision and mission.

We also organize events like 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 to the Group. One of the highly anticipated event is the annual durian feast where the staff can eat durians to their hearts content, courtesy of the management which brought in truckloads of durian for the staff enjoyment.

CORPORATE SUSTAINABILITY REPORT 2019
cont'd

Safety, Health and Security

The 4,000-plus employees of GDEX are like family and the management takes great effort to create an inclusive workplace that looks after the welfare, health and safety aspects of our employees. We do not compromise on this area and have in place many committees to look after these areas.

Through our Safety and Health Committee, we continue to ensure safety measures to minimize accidents at the workplace. The committee also carried out other safety-related activities such as fire drills for the entire workforce and defensive driving contests for the drivers to fine-tune and enhance their driving skills.

The committee also organises an annual Road Safety championship for our motor-cycle couriers and truck drivers to showcase their driving skills with an eye on road safety. This annual event is endorsed by Jabatan Pengangkutan Jalan (JPJ), Malaysian Institute of Road Safety (MIROS) and the Traffic Police Division.

We are committed to maintain a workplace that is free from theft, violence, harassment, intimidation and other unsafe and disruptive due to internal or external conditions. Security cameras are placed in strategic locations to deter such disruptive forces. We also employ external security force to provide 24-hour security services for the entire premises.

COMMUNITY

As an organization that connects people and opportunities, we are constantly in touch with the community. We strive to network with the community around us and seek to provide relief and support of any kind to those in need. For example, during the recent chemical pollution disaster in Pasir Gudang where the air was polluted and water unsafe for drinking, GDEX mobilized a team to provide relief aid by donating 80 crates of bottled water to the victims and aid workers in Pasir Gudang.

The Group also participated in a mangrove conservation project in Kuala Selangor as part of our efforts to support the environment. Thirty GDEX staff took one weekend off to learn about the destruction of mangrove swamps that has led to the environmental degradation of our coastal areas and its effects on wildlife and fisheries. They were given an opportunity to plant young mangrove saplings in a designated area. When fully grown, these mangrove trees will help prevent soil erosion and nourish the flora and fauna of the area.

As part of our social and humanitarian programme, our CSR team continues to conduct annual visits to orphanages, homes for the handicapped and orang asli community, especially during the festive season to bring some cheer and much needed goods such as foodstuff, toys and educational items to the less fortunate.

We also continued our internship programme to provide students with an opportunity to work with GDEX during their semester breaks. Some of these interns enjoy their work so much that they join the Group after their graduation.

CORPORATE SUSTAINABILITY REPORT 2019
cont'd

IV. THE ENVIRONMENT

The environment is the concern of every responsible corporate citizen. We strive to fine tune and minimize our impact on the environment, especially in the use of fossil fuels and carbon emissions, by utilising our knowledge and expertise in operational efficiency. While Malaysia has yet to adopt the use of the environmentally friendly electric vehicles as a means of transportation, we are looking at the increasing use of alternatives such as bio-diesel and hybrid vehicles to minimize our fuel usage and carbon emissions.

We have a purpose built waste disposal shed where all petroleum and lubricant waste are stored and systematically disposed according to a scheduled waste disposal programme. Last year we disposed 53,168.8 kilos of scheduled wastes.

Our motor vehicle workshop is constantly looking at ways and means to reduce the carbon footprints of our 1300-odd vehicles through regular servicing, repairing and replacing the broken down mechanical parts with equipment that are more fuel-efficient and emits less carbon. For instance, we replaced many of our older one-tonne and three-tonne trucks with lighter and more fuel efficient vans that are suited to city driving, enabling us to save on fuel and reduce carbon emissions. For the long haul sector, we are using more 40-foot container trucks that are more fuel efficient, require less servicing and can carry four times the load of the smaller trucks.

We intensify our 3R (Reduce, Reuse and Recycle) initiatives to reduce electricity, fuel and stationery costs. Through our monthly newsletter and notice board bulletins, we exhort our staff to go on-line for their correspondence and reports to minimise paper usage. We also constantly reminded them to switch off all electrical appliances when not in use. Our truck drivers are also instructed to switch off their engines to reduce idling and conserve fuel while on their delivery rounds. Such efforts go a long way in inculcating a culture of saving and thrift and in the process, support our campaign against waste and environmental degradation.

CORPORATE SUSTAINABILITY REPORT 2019
cont'd

STAKEHOLDER ENGAEMENT TABLE

STAKEHOLDER	KEY ENGAGEMENT AREA	METHOD OF ENGAGEMENT
THE ECONOMY: The Marketplace		
Customers	• Service Satisfaction • Innovative offerings • Security Protection • Customer Service • Call Centre • Customer Care Centre • Customer Easy Access • Customer Appreciation	• Customer Survey • Feedback on GDEX Website, Facebook & Twitter myGDEX Applications • Enhanced Liability Coverage • Voice Over Internet Protocol (VOIP) • One Stop Solution • Point of Presence (POP) Outlets • Refresh Through Campaigns/Promotions • Events Sponsorship (MIA conference, festive customer appreciation) • After Sales Service
Suppliers, Vendors & Business Partners	• Supplier Evaluation • Integrators Collaboration • Agents & Contractors • Suppliers Code of Conduct	• Compliance with ISO Standards • Yearly supplier evaluation • Agent Workshop • Co-load for international delivery • Visitation to Suppliers Factories/Plants
Government & Regulator	• MCMC • Courier Industry Development Plan • Courier Industry Rules & Regulations • Courier Industry Code of Practice • Personal Data Protection Act 2010 • Sales and Services Tax • E-commerce Development Plan • Safety and Health Campaigns	• Licensing • Seminar/conference • Participation through AMEC with MCMC • Customer Awareness through website • Staff awareness through seminar & training • Participation with MITI and MDEC • Visitation to Government Agencies • Participation with DOSH, JPJ, MIROS, PDRM, JKJR (Jabatan Keselamatan Jalan Raya).
Stakeholders & Investors	• Corporate Governance • Shareholders' Interests • Investor Relations	• Board of Directors Meeting • Annual Report • Announcements to Bursa Malaysia • Annual General Meeting and Extraordinary General Meeting • Dividends • Investor Relations Website • Analyst briefings and roadshows

CORPORATE SUSTAINABILITY REPORT 2019
cont'd

STAKEHOLDER	KEY ENGAGEMENT AREA	METHOD OF ENGAGEMENT
THE PEOPLE: The Work-place		
Employee	• Human Capital Development • Corporate Headquarters & Network Branches • Health & Wellness • Safety & Security • GDEX Academy	• Quarterly Newsletter • Weekly Operational Briefs • Training (On-the-Job Training, Multimedia Remote Learning (MMRL) Training) • Teambuilding Activities • Operational Safety and Health Committee • Corporate Events • Staff Interaction Subsidy • Staff Assistance Scheme • Driving Competition • Fire Drills • Hotel & Accommodation • Shuttle Bus service • Network Conference • Professional Certification
THE COMMUNITY		
	• CSR Involvement • Education • Community Support & Development • GDEX Foundation	• Mangrove Re-planting • Internship Programme • Annual Blood Donation • Donation to orphanage, Orang Asli community, Old Folks Home • Aid for disaster relief (air pollution in Pasir Gudang) • Fund for welfare of the poor, needy and under-privileged, & protection of environment
THE ENVIRONMENT		
	• Carbon emission • Proper Maintenance of Vehicles • Scheduled Waste Disposal • 3R (Reduce, Reuse, Recycle) • ISO Certification	• Adopting latest fuel & carbon emission technology • Repair and maintenance workshop • Purpose – built waste disposal shed • ISO 9001:2015 (Quality Management System) • ISO 14000:2015 (Environmental Management System)

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 that the Group has received in the last five years 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 GD Express Carrier Bhd (the “Company”) is collectively responsible for good corporate governance of the Company. 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 financial year ended 30 June 2019.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is accountable and responsible for the overall governance, management, performance and strategic direction of the Group in accordance with the Group’s goals and objectives. Therefore, it is the responsibility of the Board to oversee the effective performance of the Management in order to protect and enhance shareholder value and to meet the Group’s obligations to its employees and other stakeholders. In performing its role, the Board has a formal schedule of matters specifically reserved for its decision and these cover the Group’s strategy, risk management, major items of capital expenditure, approval of quarterly and annual financial statements and budget, approval of dividends, acquisitions and disposals of assets and appointment of Directors and Board Committees.

The current Board is led by experienced and competent Board members of whom three (3) are Executive Directors, four (4) are Independent Non-Executive Directors and two (2) are Non-Independent Non-Executive Directors. All Directors have suitable background, qualifications, skills and relevant knowledge to ensure that they have proper understanding of the Group’s operations and business and are able to challenge and facilitate discussion and decision making.

A brief profile of each Director is presented in the Directors’ Profile section of this Annual Report.

The roles of Chairman and Managing Director/Group Chief Executive Officer are separated to ensure that sufficient attention is given in carrying out their roles effectively. There is a clear division of responsibility 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

I. Board Responsibilities *cont'd*

As stipulated in the Limits of Authority, the Managing Director/Group Chief Executive Officer is responsible for day-to-day management of the Group including implementing the corporate strategy and policy agreed with the Board and reports to the Board on the status of implementation, including progress toward each of the planning activities and challenges/problems faced by the Group. The Managing Director/Group Chief Executive Officer is also accountable to the Board for all authority delegated to Executive Management and Senior Management. This delegation includes the authority to approve operational and capital expenditure, execution of contracts, procurement, litigation and matters of human resources such as promotions and dismissal of employees. The Limits of Authority also sets out the specific thresholds reserved for Management decisions, which are subject to regular reviews to reflect the dynamic expansion/changes within the Group. Any changes to the authority limits of the the Managing Director/Group Chief Executive Officer will require the Board's approvals.

During the financial year, the Company had formalised a succession planning policy for Chief Executive Officer, Executive Directors and Senior Management.

The Managing Director/Group Chief Executive Officer is assisted by two (2) Executive Directors who oversee the day-to-day running of the business, including finance, organisational effectiveness, development, co-ordination and implementation of corporate policies and strategies, performance monitoring, allocation of resources, investment appraisal and assessment as well as improvement of corporate governance and internal controls, using their intimate knowledge and understanding of the business and industry.

Apart from the above, the Executive Committee 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 Chairman, Independent Directors, Executive Directors and Senior Management. 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 as well as the Combined Nomination and Remuneration Committees.

The Audit and Risk Management Committee and the Combined Nomination and Remuneration Committee have their own written terms of references. The Chairperson/Chairman of these committees will report to the Board on salient matters deliberated in the committees meetings together with their recommendations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

I. Board Responsibilities *cont'd*

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 to disclose information about malpractice or wrongdoing they discover occurring in GDEX.

The Board Charter, Code of Ethics and Conduct for Directors and Key Officers, the Whistleblowing 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 at least seven (7) working 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. In compliance with the Main Market Listing Requirements of Bursa Securities, a director should not hold more than five (5) directorships in listed companies. 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 financial year ended 30 June 2019 are set out as follows:-

Directors	Board Meetings	Audit and Risk Management Committee Meetings	Combined Nomination and Remuneration Committee Meetings
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	4/5	4/5	3/3
Teong Teck Lean	5/5	Non Member	Non Member
Liew Heng Heng (f)	5/5	5/5	3/3
Adi Arman Bin Abu Osman	5/5	5/5	3/3
Woo Keng Leong *(Resigned on 1 October 2019)*	5/5	Non Member	Non Member
Lim Chee Seong	5/5	Non Member	Non Member
Chua Khing Seng	4/5	Non Member	Non Member
Lee Kah Hin	5/5	Non Member	Non Member
Low Ngai Yuen (f) *(Appointed on 1 November 2018)*	3/3	2/2	Non Member

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

I. Board Responsibilities *cont'd*

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.

II. 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, 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.

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. Currently, there are 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.

The Board's current diversity is as follows:-

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

II. Board Composition *cont'd*

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 year under review:-

Category of Employees	Female		Male		Total
General Staff	747	17.43%	3,193	74.52%	3,940
Supervisory	70	1.63%	60	1.40%	130
Managerial	15	0.35%	200	4.67%	215
Total No. of Employees	**832**	**19.41%**	**3,453**	**80.59%**	**4,285**

The Board through the Combined Nomination and Remuneration Committee 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. During the financial year 2019, the Combined Nomination and Remuneration Committee 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 Combined Nomination and Remuneration Committee. 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 Combined Nomination and Remuneration Committee 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 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 continues to retain the independent director after year-12, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

II. Board Composition *cont'd*

Currently, the Company has two (2) long serving Independent Directors namely Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid and Ms Liew Heng Heng whose tenure have exceeded twelve (12) years. Their long tenure with the Company has neither impaired nor compromised their independent judgement and they often demonstrate strong commitment to the Company. Furthermore, they have a thorough understanding of the Group's business activities to enable them to participate actively in the Board and Board Committees' deliberation and decision making.

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid, being the Board Chairman, is able to lead the Board effectively while Ms Liew Heng Heng, being the Chairperson of Audit and Risk Management Committee, possesses strong financial literacy skills. The Combined Nomination and Remuneration Committee had conducted an annual assessment of Independence of Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid and concluded that he is able to perform his duties independently without undue influence from other persons. The Board is satisfied with the level of independence demonstrated by the Independent Directors during the financial year 2019 and their ability to act in the best interest of the Group. Ms Liew Heng Heng has expressed her intention not to seek retention as an Independent Non-Executive Director of the Company at the forthcoming Annual General Meeting.

According to the Constitution of the Company, 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. On 1 October 2019, the Combined Nomination and Remuneration Committee had assessed and reviewed the qualification and experience of Mr Lai Tak Loi and recommended to the Board the appointment of Mr Lai as Non-Independent Non-Executive Director of the Company, to replace Mr Woo Keng Leong who resigned on 1 October 2019. The Board had resolved to appoint Mr Lai as Non-Independent Non-Executive Director. Mr Teong Teck Lean and Encik Adi Arman Bin Abu Osman will retire by rotation pursuant to Clause 96 while Ms Low Ngai Yuen and Mr Lai Tak Loi will retire pursuant to Clause 103 at the forthcoming Annual General Meeting, and being eligible, will offer themselves for re-election. The Combined Nomination and Remuneration Committee had made recommendations to the Board on re-election of Mr Teong Teck Lean, Encik Adi Arman Bin Abu Osman, Ms Low Ngai Yuen and Mr Lai Tak Loi. 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 Annual General Meeting.

The Board has delegated to the Combined Nomination and Remuneration Committee 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 Combined Nomination and Remuneration Committee is responsible to conduct an assessment and evaluation on the proposed candidate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

II. Board Composition *cont'd*

In the assessment and selection of new director candidate, the Combined Nomination and Remuneration Committee 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 Combined Nomination and Remuneration Committee'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 Combined Nomination and Remuneration Committee's discretion. Upon completion of the assessment and evaluation of the proposed candidate, the Combined Nomination and Remuneration Committee would make its recommendation to the Board. Based on the recommendation of the Combined Nomination and Remuneration Committee, the Board would evaluate and decide on the appointment of the proposed candidate.

The Combined Nomination and Remuneration Committee meets at least once in a year with additional meetings to be convened, if necessary. During the financial year under review, the Combined Nomination and Remuneration Committee met three (3) 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) independent directors with cumulative term of more than twelve (12) years;
(f) Directors' training;
(g) revision to the Committee's terms of reference;
(h) proposed appointment of independent director, Ms Low Ngai Yuen; and
(i) proposed appointment of Chief Investment Officer and Chief Operating Officer.

Besides the Mandatory Accreditation Programme as required by Bursa Securities and induction programme for new directors, the Board through the Combined Nomination and Remuneration Committee shall assess and determine 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

II. Board Composition *cont'd*

Details of training programmes attended by each Director during the financial year under review are as follows:-

Name of Directors	Training Programmes	Date
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	Launch Of Institute Of Corporate Directors Malaysia	1 October 2018
	1) Malaysia in Transition: Policy Challenges and Opportunities 2) Digital Transformation and Navigating Through Its Disruptive Nature 3) Corporate Liability Under the Malaysian Anti-Corruption Commission (Amendment) Act 2018	8 November 2018
Teong Teck Lean	Indah Water Konsortium Innovation Talk	8 October 2018
	Forbes Global CEO Conference 2018	30 & 31 October 2018
	CNBC Managing Asia – Sustainable Entrepreneurship	21 March 2019
	Future Business Ideas 2019	24 April 2019
	Jawatankuasa Khas Industri Pos Dan Kurier - Sesi Bengkel	7 May 2019
	Mesyuarat Jawatankuasa Khas Industri Pos dan Kurier	31 May 2019
	Corporate Liability Provision – Malaysia Anti-Corruption Commission Amendment Act 2018	12 June 2019
	Majlis Networking MITI & Agensi Bersama Sektor Swasta	24 June 2019
	Launching of MITI Report 2018 & MPC Productivity Report 2018/2019	25 June 2019
Liew Heng Heng (f)	Corporate Liability Provision – Malaysia-Anti Corruption Commission Amendment Act 2018	12 June 2019
Adi Arman bin Abu Osman	Corporate Liability Provision – Malaysia-Anti Corruption Commission Amendment Act 2018	12 June 2019
Woo Keng Leong	Corporate Liability Provision – Malaysia-Anti Corruption Commission Amendment Act 2018	12 June 2019

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

II. Board Composition *cont'd*

Name of Directors	Training Programmes	Date
Lim Chee Seong	A Half Day Programme - The Digitisation of Tax & Finance Functions	3 July 2018
	Regional CFO Business Forum 2018 - The Emergence of the Digital Age	15 August 2018
	MFRS 15 Revenue from Contracts with Customers	23 August 2018
	A Half Day Programme - Sales & Service Tax (SST) Latest Update	29 August 2018
	MFRS 9 Financial Instruments	4 September 2018
	Launch of Institute of Corporate Directors Malaysia	1 October 2018
	Corporate Liability Provision – Malaysia Anti-Corruption Commission Amendment Act 2018	12 June 2019
	CFO Conference 2019	13 June 2019
Chua Khing Seng	Corporate Liability Provision – Malaysia Anti-Corruption Commission Amendment Act 2018	12 June 2019
Lee Kah Hin	Corporate Liability Provision – Malaysia Anti-Corruption Commission Amendment Act 2018	12 June 2019
Low Ngai Yuen (f)	Mandatory Accreditation Programme	14 & 15 January 2019
	Market Oriented Research and Innovation in improving University's Commercialization (Speaker)	11 March 2019
	AdminPro Summit 2019	19 & 20 June 2019

III. Remuneration

The Combined Nomination and Remuneration Committee 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 Combined Nomination and Remuneration Committee 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 Board for approval. The remuneration of Directors is determined at levels which enables the Company to attract and retain Directors with the relevant experience, knowledge and expertise to assist in managing the Group effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

III. Remuneration *cont'd*

The remuneration of the Directors is determined on the basis of market 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.

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 following the relevant recommendations made by the Combined Nomination and Remuneration Committee, with the Directors concerned abstaining from deliberations and voting on his/her own remunerations.

During the financial year 2019, the Combined Nomination and Remuneration Committee 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 financial year ending 30 June 2020 will be tabled for the shareholders' approval on the forthcoming Annual General Meeting 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*.

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".

Currently, all the four (4) members of Audit and Risk Management Committee of the Company are Independent Non-Executive Directors. The Chairperson of the Audit and Risk Management Committee, Ms Liew Heng Heng, is a member of the Malaysian Institute of Accountants. All members of the Audit Committee and Risk Management Committee are able to read and understand fundamental financial statements of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

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

The Audit and Risk Management Committee undertakes its role and responsibilities as set out in its written Terms of Reference. The Audit and Risk Management Committee 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 Audit and Risk Management Committee 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 Audit and Risk Management Committee. The Terms of Reference of the Audit and Risk Management Committee outlining the composition and duties and responsibilities are available on the Company's website at *www.gdexpress.com*. The activities undertaken by the Audit and Risk Management Committee 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 Audit and Risk Management Committee 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 Audit and Risk Management Committee 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 Annual General Meeting of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and contents of audit report, if necessary.

During the financial year 2019, the Audit and Risk Management Committee 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 was satisfied with the independence, performance and suitability of External Auditors based on their quality of services, competency and industry knowledge of external audit staff and sufficient resources provided to the Group. Based on its assessment of the independence and performance of Messrs. Deloitte PLT, the Audit and Risk Management Committee has recommended to the Board the re-appointment of Messrs. Deloitte PLT as External Auditors for the shareholders' approval at the forthcoming Annual General Meeting of the Company.

The Board through the Combined Nomination and Remuneration Committee evaluated the performance and term of office of Audit and Risk Management Committee and each of its members annually to ensure it functions effectively. The Board is satisfied that the Audit and Risk Management Committee and members have effectively and efficiently discharged their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

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 framework 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. An annual internal audit plan setting out the internal audit work expected to be carried out annually, is tabled to the Audit and Risk Management Committee for review and approval.

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

The Statement on Risk Management and Internal Control set out in this Annual Report provides an overview of the risk management and internal processes within the Group.

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 Main Market Listing Requirements of Bursa Securities.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

II. Conduct of General Meetings *cont'd*

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

All Board members, including the Chairperson/Chairman of Audit and Risk Management Committee and Combined Nomination and Remuneration Committee, attended and participated in 2018 Annual General Meeting.

Currently, the Notice of the Company's Annual General Meeting 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. This is in line with best practices of MCCG.

All the resolutions set out in the Notice of the Annual General Meeting 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 Annual General Meeting 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 financial year ended 30 June 2019, 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 financial year ended 30 June 2019 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 year ended 30 June 2019 (RM)
Provision of express delivery services	GD Express (Singapore) Pte Ltd ("GD(S)")[1]	Singapore Post Limited ("SingPost")[3]	Woo Keng Leong[4]	7,716.89
Provision of express delivery services	GD Express Sdn Bhd ("GDSB")[2]	Quantium Solutions International (Malaysia) Sdn Bhd ("QSI(M)")[5]	SingPost	2,328,752.25
Provision of express delivery services	GD(S)	Quantium Solutions (Singapore) Pte Ltd ("QS(S)")[6]	SingPost	58,725.23
Provision of postal services and express delivery services	GDSB	Yamato Transport (M) Sdn Bhd ("YTSB")[7]	Yamato Asia Pte Ltd ("Yamato Asia")[8]	1,347,062.11
Provision of advisory services	GD Express Carrier Bhd	Yamato Asia	Chua Khing Seng[9]	120,000.00
Provision of business software solution	GDSB	Web Bytes Sdn Bhd	Teong Teck Lean[10] Lee Kah Hin[11]	48,996.00

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 Woo Keng Leong is the Senior Executive Vice President/Head of Postal Services of Singpost and Corporate Representative of SingPost in the Company.
(5) QSI(M), an indirect 66%-owned subsidiary of SingPost.
(6) QS(S), an indirect 66%-owned subsidiary of SingPost.

ADDITIONAL COMPLIANCE INFORMATION
cont'd

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

(7) YTSB, a subsidiary of Yamato Asia.
(8) Yamato Asia, a substantial shareholder of the Company.
(9) Mr Chua Khing Seng is the Managing Director & Group CEO of Yamato Asia Pte Ltd and an Executive Officer of Yamato Holdings Co., Ltd.
(10) Mr Teong Teck Lean is the Director of Web Bytes Sdn Bhd.
(11) Mr Lee Kah Hin is the Director of Web Bytes Sdn Bhd.

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

3. AUDIT AND NON-AUDIT FEES

For the financial year ended 30 June 2019, 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	58,000	183,050
Non-Audit Fees	78,840	78,840

4. UTILISATION OF PROCEEDS

During the financial year ended 30 June 2019, the Company did not undertake any corporate proposal to raise proceeds except for the following:-

(i) Received the proceeds of RM10,078,676.92 from the issuance of 38,764,142 new ordinary shares pursuant to the Dividend Reinvestment Plan.

The proceeds were utilised for general working capital and business expansion purposes of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In accordance with the principles set out in the Malaysian Code on Corporate Governance ("the Code"), a listed company should establish a sound risk management framework and internal control system 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.

BOARD'S RESPONSIBILITY

The Board recognises the importance of a sound risk management framework and internal control system 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 system 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 reviewed by the Board annually 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 system 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.

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 control, taking appropriate and timely preventive and corrective actions as needed, and for providing assurance to the Board that the procedures have been carried out. In this regard, the Board has obtained assurance from the Managing Director and Executive Directors/ that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects based on the risk management and internal control system 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 year ended 30 June 2019 under review.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Key risks of major business and operating units are identified, assessed and categorised to highlight the source of risk, their impacts and the likelihood of occurrence. The risk profile of the major business and operating units of the Group are monitored by its respective senior management. As such, the Group's systems of risk management and internal control are designed and operated to support the identification and management of risks affecting the Group and the business environment in which it operates, and are subject to continuous review due to changes in the business environment and the fruition of new risks emerging. The key features of the Group's system of risk management and internal control are as follows:

1. Control Environment

- ***Organisation Structure and Limits of Authority ("LOA")***

  The Group maintains an effective organisation 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 to 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 guided by a code of conduct, which is embedded in the Employee Handbook.

- ***Policies and Procedures***

  The Group maintains a set of documented systems, policies, procedures and practices to ensure compliance with internal controls and the relevant laws and regulations which govern 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 system 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

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM *cont'd*

1. Control Environment *cont'd*

o ***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 in the Audit and Risk Management Committee for review and discussion, and tabled it in the Board meeting 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.

o ***Insurance and Physical Safeguard***

The insurance coverage of the Group's major assets are 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.

o ***Management Committee***

Various Management Committees at senior level have been established by the Management to assist and support the Board to oversee areas such as business operations, risk management, information technology system and infrastructure, system implementation and support, acquisition and disposal of major assets, merger & acquisition, takeover and investment appraisal as well as staff disciplinary issues etc. These include the Group's Executive Committee, IT Steering Committee and Disciplinary Action Committee.

2. Internal Audit Function

The review of the adequacy and integrity of the Group's risk management and internal control system is the delegated responsibility of the Audit and Risk Management Committee ("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,. The ARMC has an oversight function of all activities carried out by the Internal Audit Unit. On a periodic basis, the ARMC assesses the adequacy and integrity of the risk management and internal control system through review conducted by the internal auditors and management. Significant internal control matters and findings that are brought to the attention of the ARMC will be highlighted to the Board. The system of risk management and internal control are based on a framework of regular management information, management supervision and a system of delegation and accountability. The effectiveness of the Group's risk management and internal controls are examined in detail by the internal audit unit.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM *cont'd*

2. 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 committee. 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.

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.

3. Risk Management Framework

The Board is committed in strengthening the Group's risk management framework and processes, and to safeguard shareholders' investments and the Group's assets. In this regard, the ARMC reviews and evaluates the adequacy and effectiveness of the risk management function within the Group. Risk management of individual operating units are delegated to the respective Executive Directors and Senior Management, and the Executive Directors and Senior Management are responsible for timely identification of the Group's risks of each business units and implement appropriate systems to manage these risks.

Executive Directors and Senior Management together with the Internal Audit Unit will carry out an annual structured assessment of key risk profiles, including emerging risks and re-rated principal risks. After key risks identification and assessment, the team establishes strategic responses, actionable programs and tasks to manage and mitigate all identified risks, based on the severity of the impact and the likelihood of occurrence.

The ARMC reviews report on key risk assessment and ensure that the internal audit programs cover identified principal risks. The areas covered are set out in the yearly internal audit plan that was endorsed and approved by the ARMC. Audit findings served as key feedback to validate effectiveness of risk management activities and embedded internal controls. The team reviews implementation progress of previously outlined actionable programs and evaluate post implementation effectiveness.

The ARMC, in turn will update the Board of any significant matters that require the latter's attention via periodic Board meetings. In addition, periodic management meetings are held to assess and monitor the Group's risks as well as to discuss, deliberate and address matters associated with strategic, compliance, regulatory, financial and operational facets of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM *cont'd*

4. Audit and Risk Management Committee

The ARMC of the Group reviews risk register and internal control issues identified by the internal auditor, the external auditors, regulatory authorities and management, and evaluate the adequacy and effectiveness of the risk management and internal control systems. The ARMC also reviews the internal audit functions which emphasis particularly on the adequacy of audit coverage and implementation of rectification plan based on audit findings. The minutes of the ARMC's meetings are tabled to the Board every quarter. Further details of the activities undertaken by the ARMC are set out in the Audit and Risk Management Committee Report.

The Board considered the system of risk management and internal controls described in this Statement to be satisfactory and the risks are at an acceptable level within the context of the Group's business environment.

The Board and Senior Management will continue to enhance and implement measures to improve and strengthen the risk and control environment, as well as to monitor the health of the risk and internal controls framework.

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 year ended 30 June 2019 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 8 October 2019.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("Board") of GD Express Carrier Bhd ("the Company") is pleased to present the report of the Audit and Risk Management Committee ("Committee" or "ARMC") for the financial year ended 30 June 2019.

COMPOSITION AND ATTENDANCE AT MEETINGS

The composition of the ARMC comprises the following four (4) Independent Non-Executive Directors:-

Name	Designation
Liew Heng Heng* (f)	Chairperson, Independent Non-Executive Director
Dato' Captain Ahmad Sufian @ Qurnian bin Abdul Rashid	Member, Independent Non-Executive Director
Adi Arman bin Abu Osman	Member, Independent Non-Executive Director
Low Ngai Yuen (f) *(Appointed on 1 December 2018)*	Member, Independent Non-Executive Director

* *Member of Malaysian Institute of Accountants*

During the financial year ended 30 June 2019, the Committee met five (5) times and the attendance records of the Committee are shown on page 52 of this Annual Report.

The Company's internal and external auditors, Executive Director cum Chief Financial Controller and Senior Management are normally 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 8 October 2019 reviewed on the term of office and performance of the Committee and each of 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.*

SUMMARY OF WORKS OF THE ARMC

The Committee had carried out the following works during the financial year ended 30 June 2019 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.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

SUMMARY OF WORKS OF THE ARMC *cont'd*

1. Financial Reporting *cont'd*

(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 resolution of such issues, prior to submission to the Board for their approval. The review was to ensure that the financial reporting and disclosures requirements are in compliance with:-

- Provisions of the Companies Act 2016;
- Listing Requirements of Bursa Malaysia Securities Berhad;
- Applicable and approved Malaysian Financial Reporting Standards ("MFRS") and 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 (covered from Corporate Headquarter to branches) which were tabled during the meetings, the audit recommendations for improvements to 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. Internal Audit will perform follow-up review to verify the recommendations as stated in the final report, being implemented subsequently.

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

(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.

(d) Reviewed and assessed the competency of the internal audit function.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

SUMMARY OF WORKS OF THE ARMC *cont'd*

3. External Audit

(a) Reviewed and discussed audit updates presented by Deloitte on the matters arising from the audit of the Group and the Company for the financial year ended 30 June 2019.

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

(c) Reviewed the annual audited financial statements of the Group and the Company prior to submission to the Board for approval and release the same to Bursa Malaysia Securities Berhad.

(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 scepticism, 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 remain effective, objective and independent.

(f) Had private sessions with Deloitte without the presence of the Management to discuss further with them other issues of concern, if any, arising from the audit and there were no significant audit issues were highlighted.

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; and

(b) Reviewed the draft Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for RRPT of a revenue or trading nature prior to submitting the same to the Board for consideration and approval.

5. Others

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

INTERNAL AUDIT FUNCTION AND SUMMARY OF WORKS

The Group has an in-house Internal Audit Department comprises four (4) personnel, one (1) Assistant Manager, two (2) executives and one (1) senior officer. This in-house internal audit team is supported by Process Compliance Unit within the Quality Assurance Group and in total has nine (9) personnel. In accordance with the internal audit plan endorsed and approved by the Committee, the team will conduct review on the adequacy and effectiveness of the risk management and internal control system of the Group, and subsequently highlight their findings, recommendations for value-added practices and identification of areas for improvement.

The works of internal audit adhere to the guidelines issued by the Institute of Internal Auditors Malaysia, the Group's policies and standard operating procedures, relevant laws and regulations and its own objectives and methodology. The internal audit function is moving towards digitalisation and data analytics to improve efficiency and effectiveness of the audit processes in near future. Functionally, the Head of Internal Audit Department reports to the Chairperson of the ARMC.

During the financial year ended 30 June 2019, the internal audit function assisted the Committee in discharging its duties and responsibilities by executing independent review on the adequacy and effectiveness of the risk management, internal and operational control, and governance process. Periodic activities were carried out to provide the Committee with reasonable assurance that such systems continue to operate satisfactorily and effectively.

The total cost incurred by the Internal Audit Department in relation to the conduct of the internal audit functions of the Group during the financial year ended 30 June 2019 amounted to RM291,794.

The summary of works carried out by the internal audit function during the financial year ended 30 June 2019 encompassed the following:-

1. Formulated annual audit plan that focuses on controls, managing the principal risks of the Group. Audits are prioritised according to an assessment of the potential risk exposures which shall be submitted to the Committee for review and approval;

2. Internal audit executed in accordance with the approved annual audit plan. During the financial year, the internal audit audited the following business processes in Corporate Headquarter and 36 branches:-

   (a) Credit Control and Cash Management
   (b) Storage and Security System
   (c) Delivery and Pick up Management
   (d) Management Information System
   (e) Fixed Asset Management
   (f) Human Resource Management
   (g) Risk Management Review

   These 36 branches include Bandar Tun Hussien Onn, Nilai, Muar, Kluang, Pasir Gudang, Kota Bahru, Sungai Petani, Miri, Perlis, Jitra, Parit Buntar, Kampar, Pontian, Bahau, Alor Gajah, Machang, Tawau, Labuan, Bintulu, Petaling Jaya, Kuala Lumpur, Sungai Buloh, Shah Alam, Johor Bahru, Melaka, Ampang, Wangsa Maju, Kepong, Klang, Seremban, Skudai, Ipoh, Bukit Mertajam, Bayan Baru, Kota Kinabalu, Kuching.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

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

3. The internal audit reports prepared from the audits are deliberated by the Committee and recommendations are duly acted upon by the Management. Internal auditors will conduct the follow-up reviews to ensure that all matters arising from each audit are adequately addressed by the auditees/Management, and corrective action plans which agreed by the Management had been taken to rectify the matters raised; and

4. The internal audit liaised with the external auditors to ensure sufficient audit coverage is achieved.

The Committee is pleased to disclose that there were no significant weaknesses identified that would have resulted in any material losses, contingencies or uncertainties to the Group which would require a separate disclosure in the financial statements.

5-YEAR GROUP FINANCIAL HIGHLIGHTS

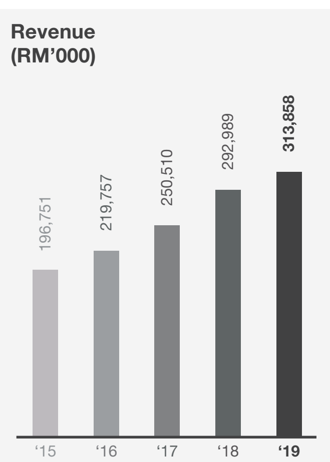
	Group year ended 30 June 2019 RM'000	Group year ended 30 June 2018 RM'000	Group year ended 30 June 2017 RM'000	Group year ended 30 June 2016 RM'000	Group year ended 30 June 2015 RM'000
Revenue	**313,858**	292,989	250,510	219,757	196,751
Profit from Operations	**14,515**	34,752	33,613	35,133	31,053
Profit before tax	**32,372**	44,608	44,474	40,183	31,306
Profit after tax	**32,468**	23,627	36,829	34,444	28,296
Return on revenue	**10%**	8%	15%	16%	14%
Profit attributable to ordinary equity holders	**32,468**	23,627	36,829	34,444	28,296
Net assets	**479,164**	449,681	426,148	386,809	141,360
Paid-up capital	**337,888**	327,809	313,837	69,162	61,816
Shareholders' equity	**479,164**	449,681	426,148	386,809	141,360
Share information [1]					
Number of shares in issue ('000)	**5,641,388** [2]	5,602,624	5,576,237	1,383,240	1,236,328
Basic earnings per share (sen)	**0.58** [3]	0.42 [3]	0.66	0.66	2.43
Diluted earnings per share (sen)	**0.58** [3]	0.40 [3]	0.65	0.66	2.39
Net assets per share (RM)	**0.08**	0.08	0.08	0.28	0.11
Share price at end of financial year (RM)	**0.265** [4]	0.405 [4]	0.625	0.385	1.370

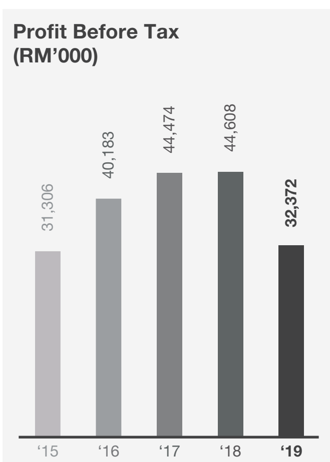
(1) The Companies Act, 2016, which came into operation on 31 January 2017, introduced the "No Par Value" regime. Accordingly, the concept of "Par Value" has been abolished.

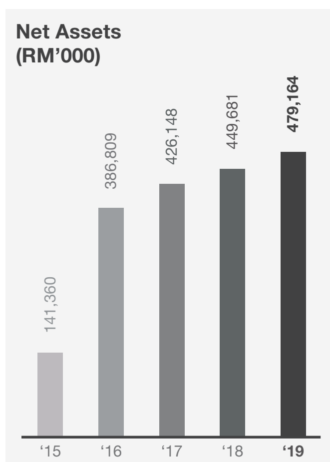
(2) During the financial year ended 30 June 2019, the Company increased its issued and paid-up ordinary share capital from 5,602,624,193 ordinary share to 5,641,388,335 ordinary shares as disclosed in Note 23 to the Financial Statements.

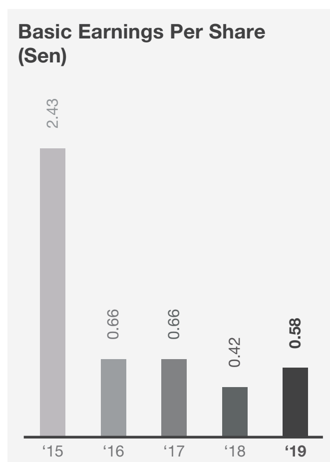
(3) The effects of Dividend Reinvestment Plan (DRP) on the number of ordinary shares for the financial year ended 30 June 2019 has been adjusted as if these events had occurred on 1 July 2018 as disclosed in Note 23to the Financial Statements.

(4) Adjusted for corporate events to ensure the prices are always comparable across different periods. These events include DRP issued during the financial year ended 30 June 2019.









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 the Group and of the Company as at the financial year end and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2019 on pages 92 to 175 of the printed version of this Annual Report, the Group and the Company has 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 keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and 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 the Group and of the Company, and to prevent and detect fraud and other irregularities.

The auditors' responsibilities are stated in their report to the shareholders on pages 87 to 91.

This Statement is made in accordance with the resolution of the Board of Directors dated 8 October 2019.

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

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors of **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 year ended 30 June 2019.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries include provision of express delivery services and logistics services.

The information on the name, place of incorporation, principal activities, and percentage of issue share capital held by the Company in each subsidiary companies are disclosed in Note 14 to the financial statements.

RESULTS OF OPERATIONS

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

	The Group	**The Company**
	RM	**RM**
Profit before tax	32,372,102	29,279,479
Income tax credit/(expense)	95,652	(2,128,557)
Profit for the year	32,467,754	27,150,922

In the opinion of the directors, the results of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the overprovision of income tax expense in prior years and gain on redemption of convertible bonds as disclosed in Note 9 and Note 16 respectively.

DIVIDENDS

As mentioned in Note 29 to the financial statements, a dividend of 0.20 sen per share amounting to RM11,205,242 which was proposed in the previous financial year and dealt with in the previous report of the directors was paid by the Company during the financial year. The dividend was paid by way of Dividend Reinvestment Plan ("DRP") amounting to RM10,078,677 and cash amounting to RM1,126,565.

The directors proposed a dividend of 0.25 sen per share amounting to approximately RM14.1 million in respect of the financial year ended 30 June 2019. The proposed dividend, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, has not been included as a liability in the financial statements.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from RM327,809,125, comprising 5,602,624,193 ordinary shares, to RM337,887,802, comprising 5,641,388,335 ordinary shares as disclosed in Note 23 to the financial statements and the details as follows:

(a) Exercise of Warrants 2015/2020

There was no issuance of ordinary shares pursuant to the exercise of Warrants 2015/2020 during the financial year.

(b) DRP

The Company via the announcement on 7 December 2017 proposed to undertake a recurrent and optional dividend reinvestment plan that allows the shareholders to reinvest their dividend as new ordinary shares in the Company.

The rationale of the DRP are as follows:

(i) dividends that are reinvested are utilised to fund the continuing business growth and expansion plan, and for working capital of the Group;

(ii) improve liquidity of the Company's shares traded on the Main Market of Bursa Malaysia Securities Berhad; and

(iii) enhance and maximise shareholders' value via the subscription of new shares where the issue price of a new share shall be at discount and the subscription shall be free from any brokerage fees and other related transaction cost.

A total of 38,764,142 new ordinary shares at the issue price of RM0.26 per share was issued pursuant to the exercise of DRP on 22 February 2019.

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

The Company has not issued any debentures during the financial year.

DIRECTORS' REPORT
cont'd

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.

(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 last financial year, 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 movements of Warrants 2015/2020 during the year are as follows:

	Number of Warrants 2015/2020
At beginning of year/end of year	706,030,568

SHARE OPTIONS

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

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

OTHER 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 had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to 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 render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

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

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

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

DIRECTORS' REPORT
cont'd

OTHER STATUTORY INFORMATION *cont'd*

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due except as disclosed in Note 34 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 year 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 year in which this report is made.

DIRECTORS

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

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Teong Teck Lean
Liew Heng Heng
Adi Arman bin Abu Osman
Woo Keng Leong *(Resigned on 1 October 2019)*
Lim Chee Seong
Chua Khing Seng
Lee Kah Hin
Low Ngai Yuen *(Appointed on 1 November 2018)*
Lai Tak Loi *(Appointed on 1 October 2019)*
Ho Swee Fong *(Resigned on 27 August 2018)*

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

Chan Lai Wah
Leong Chee Tong *(Resigned on 8 March 2019)*
Teong Lynn Tze Rachel
Ong Mei Chen *(Appointed on 30 August 2018)*
Yap Siow Eng *(Resigned on 30 August 2018)*

DIRECTORS' REPORT
cont'd

DIRECTORS' INTERESTS

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

	Number of ordinary shares				
	Balance as of 1.7.2018	**Issued pursuant to 6th DRP(1)**	**Bought**	**Sold**	**Balance as of 30.6.2019**
Shares in the Company					
Direct interest					
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	46,313,228	356,255	-	-	46,669,483
Teong Teck Lean	123,366,383	948,969	-	-	124,315,352
Liew Heng Heng	4,105,911	31,583	-	-	4,137,494
Lim Chee Seong	327,500	2,500	-	-	330,000
Lee Kah Hin	711,282	5,471	-	-	716,753
Shares in the Company					
Indirect interest					
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid					
Substantial shareholdings					
Essem Capital Sdn. Bhd.	3,706,596	29,281	100,000	-	3,835,877
Essem Corporation Sdn. Bhd.	19,424	149	-	-	19,573
DB (Malaysia) Nominee (Asing) Sdn. Bhd.	2,460,550	21,696	-	-	2,482,246

DIRECTORS' REPORT
cont'd

DIRECTORS' INTERESTS *cont'd*

	Number of ordinary shares				
	Balance as of 1.7.2018	**Issued pursuant to 6th DRP(1)**	**Bought**	**Sold**	**Balance as of 30.6.2019**
Shares in the Company					
Indirect interest					
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid					
Immediate family members					
Datin Mardiana binti Mohamed Zain	901,438	6,934	-	-	908,372
Suffaneena binti Ahmad Sufian	457,221	3,517	-	-	460,738
Muffadzlee bin Ahmad Sufian	386,897	2,976	-	-	389,873
Muffriezal bin Ahmad Sufian	435,908	3,353	30,000	-	469,261
Suffrianna binti Ahmad Sufian	403,264	6,563	450,000	-	859,827
Shuqeera Safinaz Binti Ahmad Sufian @ Quarnain	-	384	50,000	-	50,384
Mior Shukhairee Bin Ahmad Sufian	-	384	50,000	-	50,384
Teong Teck Lean					
Substantial shareholdings					
GD Express Holdings (M) Sdn. Bhd.	1,419,677,427	10,920,594	-	(21,827,465)	1,408,770,556
GD Holdings International Limited	627,473,514	4,858,179	66,750,000	(66,750,000)	632,331,693
GDEX Foundation	19,837,810	152,598	-	-	19,990,408
Teong Teck Lean					
Immediate family members					
Wang Herng Tsuey	-	96,215	12,508,000	-	12,604,215

(1) On 22 February 2019, the 6th Dividend Reinvestment Plan ("DRP") applied to the final dividend of 0.20 sen per ordinary share was reinvested in new ordinary shares in the Company at a price of RM0.26.

DIRECTORS' REPORT
cont'd

DIRECTORS' INTERESTS *cont'd*

	← Number of Warrants 2015/2020 over ordinary shares →			
	Balance as of 1.7.2018	Bought	Sold/ Exercised	Balance as of 30.6.2019
Warrants 2015/2020 in the Company				
Direct interest				
Teong Teck Lean	18,569,876	-	-	18,569,876
Liew Heng Heng	605,084	-	-	605,084
Lim Chee Seong	48,000	-	-	48,000
Indirect interest				
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid				
Substantial shareholding				
DB (Malaysia) Nominee (Asing) Sdn. Bhd.	360,000	-	(360,000)	-
Teong Teck Lean				
Substantial shareholding				
GD Express Holdings (M) Sdn. Bhd.	209,182,496	165,888,736	-	375,071,232
GD Holdings International Limited	81,408,344	-	-	81,408,344
GDEX Foundation	2,904,412	-	-	2,904,412

By virtue of the above directors' interest in the shares and warrants of the Company, they are deemed to have beneficial interest in the shares of all the subsidiary and related companies to the extent the Company has an interest.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in 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 year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

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 Group and its subsidiaries. The amount of insurance premium paid during the year amounted to RM21,075.

SIGNIFICANT EVENTS

Significant events during the financial year relating to the acquisition of associates and full redemption of convertible bonds are disclosed in Note 15 and Note 16 to the financial statements.

SUBSEQUENT EVENTS

Subsequent events 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 financial year ended 30 June 2019 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,
8 October 2019

INDEPENDENT AUDITORS' REPORT

to the Members of **GD Express Carrier Bhd** (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of GD EXPRESS CARRIER BHD, which comprise the statements of financial position of the Group and of the Company as of 30 June 2019 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 year then ended, and notes to financial statements, including a summary of significant accounting policies, as set out on pages 92 to 175.

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 30 June 2019, and of their financial performance and their cash flows for the year then ended 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' *Code of Ethics for Professional Accountants* ("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 **GD Express Carrier Bhd** (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 year. 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*
The Group's revenue is mainly derived from express delivery services rendered. We identified revenue recognition as a key audit matter, as we considered the magnitude and the high volume of transactions may give rise to material misstatements of revenue recognition.	Our audit approach includes both controls testing and substantive procedures as follows: ● We obtained update on our understanding of revenue recognition process and evaluated the business process controls surrounding revenue recognition. ● We performed a walkthrough and evaluated the design and implementation of the key controls for revenue recognition. We further evaluated the operating effectiveness of those controls. ● We selected samples of sales invoices recorded during and at end of the financial year and traced to acknowledged consignment notes to ascertain proof of delivery. ● We performed substantive analytical procedure on revenue by using the direct overhead costs as a base to develop an expected revenue and compared against the actual revenue. We also tested the completeness, accuracy and validity of the direct overhead costs provided by the management. ● We compared the Group's revenue growth rate against industry averages and competitor results.

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.

INDEPENDENT AUDITORS' REPORT

to the Members of **GD Express Carrier Bhd** (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

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.

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 the financial statements of the Group and of the Company.

INDEPENDENT AUDITORS' REPORT

to the Members of **GD Express Carrier Bhd** (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*

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.

- 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 and on 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, related safeguards.

INDEPENDENT AUDITORS' REPORT

to the Members of **GD Express Carrier Bhd** (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*

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 year 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 2016, we also report that the subsidiaries, of which we have not acted as auditors, are disclosed in Note 14 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 contents of this report.

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

WONG KAR CHOON
Partner - 03153/08/2020 J
Chartered Accountant

8 October 2019

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2019

		The Group		The Company	
	Note	2019	2018	2019	2018
		RM	RM	RM	RM
Revenue	6	313,857,807	292,988,532	14,446,000	14,160,000
Other operating income	7	19,916,366	11,729,351	20,671,763	12,612,151
Direct costs	7	(57,524,917)	(49,326,900)	-	-
Staff costs	7	(173,470,901)	(153,132,356)	(1,820,843)	(1,492,749)
Depreciation of property, plant and equipment	11	(18,772,871)	(14,416,373)	-	-
Amortisation of prepaid lease payments	12	(531,108)	(531,103)	-	-
Other operating expenses	7	(43,205,335)	(39,897,026)	(4,017,441)	(4,322,097)
Impairment loss on goodwill	17	(397,385)	(948,692)	-	-
Share of (loss)/profits of associates	15	(5,440,282)	16,160	-	-
Finance costs	8	(2,059,272)	(1,873,785)	-	-
Profit before tax		32,372,102	44,607,808	29,279,479	20,957,305
Income tax credit/(expense)	9	95,652	(20,980,442)	(2,128,557)	(2,261,241)
Profit for the year		32,467,754	23,627,366	27,150,922	18,696,064

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2019
cont'd

	Note	The Group 2019 RM	The Group 2018 RM	The Company 2019 RM	The Company 2018 RM
Other comprehensive income/(loss)					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		56,429	(124,157)	-	-
Fair value gain	18	-	-	20,148,563	-
Other comprehensive income/(loss) for the year, net of tax		56,429	(124,157)	20,148,563	-
Total comprehensive income for the year, net of tax		32,524,183	23,503,209	47,299,485	18,696,064
Profit for the year attributable to:					
Owners of the Company		32,467,754	23,627,366	27,150,922	18,696,064
Total comprehensive income attributable to:					
Owners of the Company		32,524,183	23,503,209	47,299,485	18,696,064
Earnings per ordinary share:					
Basic (sen)	10	0.58	0.42		
Diluted (sen)	10	0.58	0.40		

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

STATEMENTS OF FINANCIAL POSITION
as of 30 June 2019

		The Group		The Company	
	Note	2019	2018	2019	2018
		RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	108,637,618	85,850,329	-	-
Prepaid lease payments	12	22,612,330	21,507,003	-	-
Investment properties	13	18,025,000	17,900,000	-	-
Investment in subsidiary companies	14	-	-	38,381,701	39,079,901
Investment in associates	15	29,043,998	5,676,991	7,700,000	5,500,000
Investment in convertible bonds	16	-	10,380,000	-	10,380,000
Goodwill arising from consolidation	17	-	397,385	-	-
Other investment	18	-	-	30,014,188	-
Loan to an associate	15	2,000,000	-	2,000,000	-
Investment in redeemable convertible preference shares	19	500,000	-	500,000	-
Total Non-Current Assets		180,818,946	141,711,708	78,595,889	54,959,901
Current Assets					
Inventories - at cost		1,465,802	1,078,365	-	-
Trade receivables	20	51,538,867	51,011,122	-	-
Other receivables and prepaid expenses	20	22,777,330	17,557,823	1,194,532	15,086
Amount owing by subsidiary companies	14	-	-	100,226,743	61,691,479
Tax recoverable		19,331,553	3,383,405	-	-
Short term funds	21	12,200,014	17,035,863	12,200,014	17,035,863
Deposits with licensed banks	30	237,443,402	253,636,792	230,743,732	237,969,933
Cash and bank balances	30	30,059,509	32,640,178	10,855,825	14,145,257
Total Current Assets		374,816,477	376,343,548	355,220,846	330,857,618
Total Assets		555,635,423	518,055,256	433,816,735	385,817,519

STATEMENTS OF FINANCIAL POSITION

as of 30 June 2019
cont'd

	Note	The Group 2019 RM	The Group 2018 RM	The Company 2019 RM	The Company 2018 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	23	337,887,802	327,809,125	337,887,802	327,809,125
Reserves	24	141,276,590	121,872,075	93,465,390	57,371,147
Total Equity		479,164,392	449,681,200	431,353,192	385,180,272
Non-Current Liabilities					
Hire-purchase payables	25	20,465,587	26,063,202	-	-
Provision for retirement benefits	26	321,314	325,682	28,108	28,108
Deferred tax liabilities	27	6,272,790	4,942,829	-	-
Total Non-Current Liabilities		27,059,691	31,331,713	28,108	28,108
Current Liabilities					
Trade payables	28	2,881,356	2,036,816	-	-
Other payables and accrued expenses	28	26,189,408	19,665,639	347,243	513,996
Amount owing to subsidiary companies	14	-	-	1,917,368	17,368
Hire-purchase payables	25	19,721,613	15,155,343	-	-
Tax liabilities		618,963	184,545	170,824	77,775
Total Current Liabilities		49,411,340	37,042,343	2,435,435	609,139
Total Liabilities		76,471,031	68,374,056	2,463,543	637,247
Total Equity and Liabilities		555,635,423	518,055,256	433,816,735	385,817,519

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

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2019

The Group	Note	Issued capital	Non-distributable reserves - Translation reserve	Distributable reserve - Retained earnings	Total
		RM	RM	RM	RM
As of 1 July 2017		313,836,577	413,738	111,897,281	426,147,596
Profit for the year		-	-	23,627,366	23,627,366
Other comprehensive loss		-	(124,157)	-	(124,157)
Total comprehensive income/(loss) for the year		-	(124,157)	23,627,366	23,503,209
Arising from warrants exercised	23(ii)	701,797	-	-	701,797
Arising from dividend reinvestment plan	23(i)(b)	13,270,751	-	(13,270,751)	-
Dividends	29	-	-	(671,402)	(671,402)
As of 30 June 2018		327,809,125	289,581	121,582,494	449,681,200
As of 1 July 2018, as previously reported		327,809,125	289,581	121,582,494	449,681,200
Effect of change in accounting policy due to adoption of MFRS 9, net of tax	36	-	-	(1,394,946)	(1,394,946)
Effect of change in accounting policy due to adoption of MFRS 15, net of tax	36	-	-	(519,480)	(519,480)
As of 1 July 2018, as restated		327,809,125	289,581	119,668,068	447,766,774
Profit for the year		-	-	32,467,754	32,467,754
Other comprehensive income		-	56,429	-	56,429
Total comprehensive income for the year		-	56,429	32,467,754	32,524,183
Arising from dividend reinvestment plan	23(i)(b)	10,078,677	-	(10,078,677)	-
Dividends	29	-	-	(1,126,565)	(1,126,565)
As of 30 June 2019		337,887,802	346,010	140,930,580	479,164,392

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2019
cont'd

The Company	**Note(s)**	**Issued capital**	**Non-distributable reserve - Fair value reserve**	**Distributable reserve - Retained earnings**	**Total**
		RM	**RM**	**RM**	**RM**
As of 1 July 2017		313,836,577	-	52,617,236	366,453,813
Total comprehensive income for the year		-	-	18,696,064	18,696,064
Arising from warrants exercised	23(ii)	701,797	-	-	701,797
Arising from dividend reinvestment plan	23(i)(b)	13,270,751	-	(13,270,751)	-
Dividends	29	-	-	(671,402)	(671,402)
As of 30 June 2018		327,809,125	-	57,371,147	385,180,272
As of 1 July 2018		327,809,125	-	57,371,147	385,180,272
Total comprehensive income for the year		-	-	27,150,922	27,150,922
Arising from dividend reinvestment plan	23(i)(b)	10,078,677	-	(10,078,677)	-
Fair value gain on other investment	18	-	20,148,563	-	20,148,563
Dividends	29	-	-	(1,126,565)	(1,126,565)
As of 30 June 2019		337,887,802	20,148,563	73,316,827	431,353,192

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

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2019

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
CASH FLOWS FROM/USED IN) OPERATING ACTIVITIES				
Profit for the year	32,467,754	23,627,366	27,150,922	18,696,064
Adjustments for:				
Income tax (credit)/expense	(95,652)	20,980,442	2,128,557	2,261,241
Depreciation of property, plant and equipment	18,772,871	14,416,373	-	-
Finance costs	2,059,272	1,873,785	-	-
Impairment loss on goodwill	397,385	948,692	-	-
Amortisation of prepaid lease payments	531,108	531,103	-	-
(Reversal)/Allowance of impairment loss on trade receivables, net	(681,690)	380,663	-	-
Bad debts written off	152,101	328,650	-	-
(Gain)/loss on disposal of property, plant and equipment	(192,178)	53,260	-	-
Property, plant and equipment written off	90,766	50,124	-	-
Provision for retirement benefits	-	45,086	-	3,266
Interest income	(10,791,084)	(11,359,549)	(9,905,784)	(10,118,403)
Dividend income from short term funds	(374,433)	(51,748)	(374,433)	(51,748)
Share of loss/(profits) of associates	5,440,282	(16,160)	-	-
Fair value gain on investment properties	(125,000)	-	-	-
Gain on redemption of convertible bonds	(7,949,546)	-	(7,949,546)	-
Impairment loss of investment in subsidiaries	-	-	698,200	1,841,047
Dividend income from subsidiaries	-	-	(14,446,000)	(14,160,000)
Operating Profit/(Loss) Before Working Capital Changes	39,701,956	51,808,087	(2,698,084)	(1,528,533)
(Increase)/Decrease in:				
Inventories	(387,437)	476,115	-	-
Trade receivables	(681,683)	(1,853,301)	-	-
Other receivables and prepaid expenses	(3,292,080)	(5,518,031)	(134,125)	12,813

STATEMENTS OF CASH FLOWS
for the year ended 30 June 2019
cont'd

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Increase/(Decrease) in:				
Trade payables	844,540	(1,147,999)	-	-
Other payables and accrued expenses	3,522,561	5,199,501	(166,754)	(66,724)
Cash Generated From/(Used In) Operations	39,707,857	48,964,372	(2,998,963)	(1,582,444)
Income tax refunded	2,363,725	265,400	138,861	137,680
Income tax paid	(15,847,286)	(22,135,224)	(2,174,369)	(2,591,666)
Retirement benefit paid	(5,218)	-	-	-
Net Cash From/(Used In) Operating Activities	26,219,078	27,094,548	(5,034,471)	(4,036,430)
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES				
Interest received	10,791,084	11,359,549	9,905,784	10,118,403
Proceeds from disposal of property, plant and equipment	242,849	310,544	-	-
Decrease in deposits paid for property, plant and equipment	283,646	204,916	-	-
Dividend income received	374,433	51,748	374,433	51,748
Decrease/(Increase) in deposits with licensed banks	16,125,731	(22,002,245)	7,226,201	(17,673,266)
Net cash outflow on acquisition of subsidiary	-	(19,003,555)	-	-
Decrease/(Increase) in short term funds	4,835,849	(17,035,863)	4,835,849	(17,035,863)
Additions to property, plant and equipment *	(24,774,604)	(9,149,712)	-	-
Additions to prepaid lease payments	(1,636,435)	-	-	-
Additional interest in Web Bytes Sdn. Bhd.	(2,200,000)	-	(2,200,000)	-
Loan to an associate	(2,000,000)	-	(2,000,000)	-
Proceed from redemption of convertible bonds	17,284,226	-	17,284,226	-
Subscription of Initial Public Offering ("IPO") Shares in PT Satria Antara Prima TBK ("SAPX")	(26,607,289)	-	(9,865,625)	-
Investment in redeemable convertible preference shares	(500,000)	-	(500,000)	-
Increase in amount owing by subsidiaries	-	-	(22,189,264)	(10,567,599)
Net Cash (Used in)/From Investing Activities	(7,780,510)	(55,264,618)	2,871,604	(35,106,577)

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2019
cont'd

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES				
Proceeds from allotment of shares	-	701,797	-	701,797
Payments of hire-purchase payables	(17,957,316)	(11,944,008)	-	-
Finance costs paid	(2,059,272)	(1,873,785)	-	-
Dividends paid	(1,126,565)	(671,402)	(1,126,565)	(671,402)
Net Cash (Used In)/From Financing Activities	(21,143,153)	(13,787,398)	(1,126,565)	30,395
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,704,585)	(41,957,468)	(3,289,432)	(39,112,612)
Effect of exchange differences	56,257	(106,297)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	32,707,837	74,771,602	14,145,257	53,257,869
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 30)	30,059,509	32,707,837	10,855,825	14,145,257

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

	The Group	
	2019	2018
	RM	RM
Purchase of:		
Property, plant and equipment	41,700,575	32,638,221
Financed by:		
Cash payments	24,774,604	9,149,712
Hire-purchase	16,925,971	23,488,509
	41,700,575	32,638,221

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 subsidiaries include provision of express delivery services and logistics services.

The information on the name, place of incorporation, principal activities, and percentage of issue share capital held by the Company in each subsidiary companies are disclosed in Note 14.

The Company's registered office is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

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

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 8 October 2019.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Adoption of New MFRSs, Amendments to MFRSs and Issues Committee Interpretation ("IC Interpretation")

In the current financial year, the Group and the Company have adopted the following new MFRSs, Amendments to MFRSs and IC Interpretation issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for the financial period commencing on or after 1 July 2018.

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRSs	Annual Improvements to MFRSs 2014 – 2016 Cycle

The adoption of these MFRSs, Amendments to MFRSs and IC Interpretation have not had material impact on the amounts reported in the financial statements of the Group and the Company in the current financial year except for the adoption of MFRS 9 and MFRS 15. The details and the financial effects of the adoption of MFRS 9 and MFRS 15 are disclosed in Note 36.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

New and Revised Standards, Amendments and IC Interpretation in Issue but Not Yet Effective

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

MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards[2]
MFRS 16	Leases[1]
MFRS 17	Insurance Contracts[3]
Amendments to MFRS 3	Definition of a Business[2]
Amendments to MFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to MFRS 101 and MFRS 108	Definition of Material[2]
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement[1]
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures[1]
IC Interpretation 23	Uncertainty over Income Tax Payments[1]
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2019.
2 Effective for annual periods beginning on or after 1 January 2020.
3 Effective for annual periods beginning on or after 1 January 2021.
4 Effective for annual periods beginning on or after a date to be determined.

The directors anticipate that the abovementioned new and revised Standards, Amendments and IC Interpretation will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these Standards, Amendments and IC Interpretation will have no material impact on the financial statements of the Group and the Company in the period of initial application, except as discussed below:

MFRS 16 Leases

MFRS 16 specifies how an MFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with MFRS 16's approach to lessor accounting substantially unchanged from its predecessor, MFRS 117.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

New and Revised Standards, Amendments and IC Interpretation in Issue but Not Yet Effective *cont'd*

MFRS 16 Leases *cont'd*

At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-of use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowing rate.

The directors anticipate that the application of the above mentioned Standard in the future may have an impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 16.

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, leasing transactions that are within the scope of MFRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value in use in MFRS 136.

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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. 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 begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary 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.

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 subsidiaries is attributed to the owners of the Company 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 subsidiaries 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 subsidiaries which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

Business Combinations

Acquisitions of subsidiaries 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.

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 *Share-based Payment* 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 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.

Goodwill on Consolidation

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

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of 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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Revenue

Policy effective from 1 July 2018 (MFRS 15)

On 1 July 2018, the Group and the Company adopted the requirements of MFRS 15. The Group and the Company have elected modified retrospective approach with no restatement of comparative information upon adoption of MFRS 15. The changes in accounting policies have been applied retrospectively from 1 July 2018.

Under MFRS 15, 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 performs; 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Revenue *cont'd*

Policy effective from 1 July 2018 (MFRS 15) *cont'd*

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.

Policy applicable prior to 1 July 2018 (MFRS 118)

Revenue is measured at the fair value of the consideration received or receivable and represents income from the provision of express delivery services and logistic, net of goods and services tax, discounts and rebates. Revenue is recognised when the services are rendered.

Interest income is recognised using the effective interest method.

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

Rental income is recognised over the tenure of the rental period of properties.

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 year, unless exchange rates fluctuated significantly during that 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 year.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Foreign Currency *cont'd*

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in 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.

Employee Benefits

(a) Short-Term Employee Benefits

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

(b) Post-Employment Benefits

(i) 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.

(ii) 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 the Company.

Operating Leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on the straight-line basis over the lease period.

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 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.

(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 subsidiaries 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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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 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 and Joint Ventures

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.

Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

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

Investment in Associates and Joint Ventures *cont'd*

Accounting treatment

On acquisition of an investment in associate or joint venture, 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 or joint venture's profit or loss for the period in which the investment is acquired.

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

Under the equity method, on initial recognition the investment in an associate or a joint venture 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 or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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

The financial statements of the associates and joint ventures 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 Impairment of Assets to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 Impairment of Assets 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.

In the Company's separate financial statements, investments in associates and joint ventures 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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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.

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.

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.

Property, Plant and Equipment

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

Leasehold building is amortised based on the carrying value of the building over the remaining lease period.

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 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%

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Property, Plant and Equipment *cont'd*

The estimated useful lives, residual values and depreciation method of property, plant and equipment are reviewed at each 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.

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.

Prepaid Lease Payments

Leases of land where title is not expected to pass to the lessee at the end of the lease term is classified as operating leases as land normally has an indefinite useful life. The upfront payments made on entering into or acquiring a leasehold land that is an operating lease represents prepaid lease payments which are amortised on a straight-line basis over the lease term.

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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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.

Provisions

Provisions are recognised when the Group and 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

Policy effective from 1 July 2018 (MFRS 9)

On 1 July 2018, the Group and the Company have adopted the requirements of MFRS 9. The Group and the Company have elected modified retrospective approach with no restatement of comparative information upon adoption of MFRS 9. The changes in accounting policies have been applied retrospectively from 1 July 2018.

(a) Financial assets

<u>Initial recognition and subsequent measurement</u>

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).

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

Policy effective from 1 July 2018 (MFRS 9) *cont'd*

(a) Financial assets cont'd

Initial recognition and subsequent measurement *cont'd*

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.

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 irrevocable 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 the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

Financial Instruments *cont'd*

Policy effective from 1 July 2018 (MFRS 9) *cont'd*

(a) Financial assets cont'd

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

Policy effective from 1 July 2018 (MFRS 9) *cont'd*

(a) Financial assets cont'd

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.

(b) Financial liabilities

Initial recognition and 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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

Policy effective from 1 July 2018 (MFRS 9) *cont'd*

(b) Financial liabilities cont'd

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. 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 the 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 the profit or loss.

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 the profit or loss.

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

Financial Instruments *cont'd*

Policy effective from 1 July 2018 (MFRS 9) *cont'd*

(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.

Policy applicable before 1 July 2018 (MFRS 139)

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at FVTPL, directly attributable transaction costs.

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 and the Company commit to purchase or sell the asset.

Subsequent measurement

The Group and the Company determine the classification of its financial assets at initial recognition. Financial assets with fixed or determinable payments that are not quoted in any active market are classified as loans and receivables. All financial assets of the Group and the Company are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments *cont'd*

Policy applicable before 1 July 2018 (MFRS 139) *cont'd*

(a) Financial assets cont'd

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Impairment of financial assets

The Group and the Company assess, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired.

A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivable, where the carrying amount is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

Financial Instruments *cont'd*

Policy applicable before 1 July 2018 (MFRS 139) *cont'd*

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. The only category of the Group is other financial liabilities.

Subsequent measurement

The Group and the Company's other financial liabilities include trade and other payables.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. 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 a derecognition of the original liability and the recognition of a new liability, and 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 statement 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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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 other than as follows:

<u>Classification of investment in convertible bonds</u>

In 2017, the Company subscribed to convertible bonds of SAPX for a total consideration of approximately RM10,380,000. The convertible bonds can be converted into fixed amount of equity shares subject to the terms and conditions of the agreement between the Company and SAPX. The classification of convertible bonds depends on the features of the agreement such as purpose and design of agreement, controls and rights to decision-making process, joint consent in executing the business operations and the existence of variable returns. The assessment by management on the features requires management to make certain judgements. The investment is further explained in Note 16. The convertible bonds have been fully redeemed during the financial year.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *cont'd*

(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:

<u>Allowance for impairment</u>

In 2019, 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, selection of appropriate models and the application of forward looking information into the ECL models.

In 2018, the Group makes allowance for impairment based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade and other receivables and impairment loss in the period in which such estimate has been changed.

<u>Impairment of goodwill</u>

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated. The recoverable amount requires management to estimate the fair value less cost to sell of the cash-generating units where a market valuation was performed by the qualified external valuers. The carrying amount of goodwill at the reporting date was RMNil (2018: RM397,385). Details of the impairment loss are set out in Note 17.

<u>Fair value measurements and valuation processes</u>

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 third party qualified valuers to perform the valuation. The directors work closely with the qualified external valuers 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 various assets are disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. SEGMENT REPORTING

Operating segments

The Group has three operating segments and operates predominantly in Malaysia and Singapore, 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 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)	
	2019	2018	2019	2018
	RM	RM	RM	RM
Express delivery	304,195,647	286,094,672	36,969,521	48,135,585
Logistics	9,100,349	6,527,950	(1,116,507)	651,817
Property investment	561,811	365,910	(1,705,945)	(976,454)
Total	313,857,807	292,988,532	34,147,069	47,810,948
Finance costs (Note 8)			(2,059,272)	(1,873,785)
Impairment loss on goodwill (Note 17)			(397,385)	(948,692)
Reversal/(Allowance) of impairment loss on trade receivables, net (Note 20)			681,690	(380,663)
Profit before tax			32,372,102	44,607,808

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	
	2019	**2018**
	RM	**RM**
Segment Assets		
Express delivery	477,669,544	466,347,138
Logistics	7,673,994	3,668,078
Property investment	50,960,332	44,656,635
	536,303,870	514,671,851
Unallocated assets*		
- Tax recoverable	19,331,553	3,383,405
	555,635,423	518,055,256
Segment Liabilities		
Express delivery	67,914,338	62,276,417
Logistics	799,682	399,477
Property investment	865,258	570,788
	69,579,278	63,246,682
Unallocated liabilities*		
- Tax liabilities	618,963	184,545
- Deferred tax liabilities	6,272,790	4,942,829
	76,471,031	68,374,056

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. SEGMENT REPORTING *cont'd*

	2019 RM	2018 RM
Other segment information		
Additions to investment properties arising from acquisition of subsidiary company		
- Property investment	-	17,900,000
Additions to property, plant and equipment and prepaid lease payments		
- Express delivery	30,975,615	31,560,263
- Logistics	4,321,116	294,741
- Property investment	8,040,279	783,217
Depreciation and amortisation		
- Express delivery	17,231,987	13,609,180
- Logistics	932,669	400,669
- Property investment	1,139,323	937,627

* 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.

Geographical segments

The following is an analysis of the Group's revenue by geographical market:

	The Group Revenue By Geographical Market	
	2019 RM	2018 RM
Malaysia	312,508,080	291,845,971
Singapore	1,349,727	1,142,561
	313,857,807	292,988,532

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. SEGMENT REPORTING *cont'd*

Geographical segments *cont'd*

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	
	2019	**2018**
	RM	**RM**
Malaysia	178,791,924	141,677,640
Singapore	27,022	34,068
	178,818,946	141,711,708

6. REVENUE

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Income from provision of express delivery services and logistics services	313,295,996	292,622,622	-	-
Rental income	561,811	365,910	-	-
Single-tier dividend income from subsidiary company	-	-	14,446,000	14,160,000
	313,857,807	292,988,532	14,446,000	14,160,000

NOTES TO THE FINANCIAL STATEMENTS
cont'd

6. REVENUE *cont'd*

Revenue of the Group 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:

	2019 RM	2018 RM
Point-in-time		
Express delivery services	304,195,647	286,094,672
Over time		
Logistics services	9,100,349	6,527,950
Rental income	561,811	365,910
	313,857,807	292,988,532

As of 30 June 2019, there was no performance obligation that was unsatisfied or partially satisfied, other than performance obligations to be rendered during the remaining contract period of the service agreements relating to handling and warehousing operations, generally cover a contract period of one year. 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 Group has applied the practical expedient to not disclose the related unsatisfied performance obligation.

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	
	2019	2018	2019	2018
	RM	RM	RM	RM
Interest income	10,791,084	11,359,549	9,905,784	10,118,403
Dividend income from short term funds	374,433	51,748	374,433	51,748
Direct costs:				
Transportation	(53,546,245)	(47,124,675)	-	-
Warehouse charges	(3,978,672)	(2,202,225)	-	-
Rental of premises	(12,171,268)	(10,775,281)	-	-
Tax penalty arising from over/(under) provision of income tax expense in prior years (Note 9)	954,699	(1,169,326)	-	-
Reversal/(Allowance) of impairment loss on trade receivables, net (Note 20)	681,690	(380,663)	-	-
Bad debts written off	(152,101)	(328,650)	-	-
Directors' remuneration:				
Fees	(264,000)	(209,400)	(264,000)	(209,400)
Salaries and other emoluments	(1,056,291)	(971,781)	(1,059,091)	(971,781)
EPF	(99,996)	(92,057)	(99,996)	(92,057)
Auditors' remuneration:				
Statutory audit:				
Auditors of the Company	(128,000)	(115,000)	(58,000)	(51,000)
Other auditors	(55,050)	(43,910)	-	-
Non-audit services	(78,840)	(90,000)	(78,840)	(90,000)
Realised loss on foreign exchange	(250,503)	(95,390)	-	-
Gain/(Loss) on disposal of property, plant and equipment	192,178	(53,260)	-	-
Property, plant and equipment written off	(90,766)	(50,124)	-	-
Provision for retirement benefits (Note 26)	-	(45,086)	-	(3,266)
Gain on redemption of convertible bonds	7,949,546	-	7,949,546	-
Management fee receivable from subsidiaries	-	-	2,442,000	2,442,000
Impairment loss of investment in subsidiaries	-	-	698,200	1,841,047
Fair value gain on investment properties	125,000	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
cont'd

7. DIRECT COSTS, OTHER OPERATING INCOME/(EXPENSES) AND STAFF COSTS *cont'd*

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 year amounted to RM15,444,542 and RM275,572 (2018: RM12,624,935 and RM133,036) respectively.

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

Compensation of Key Management Personnel

The remuneration of key management personnel, including directors, during the year is as follows:

	The Group	
	2019	2018
	RM	RM
Short-term employee benefits	1,048,497	874,101
Defined contribution plans	118,087	92,057
	1,166,584	966,158

Directors' remuneration of the Group and of the Company during the year is as follows:

	The Group and The Company	
	2019	2018
	RM	RM
Executive Directors:		
Salaries and other emoluments	960,011	874,101
EPF	99,996	92,057
	1,060,007	966,158
Non-Executive Directors:		
Fees	264,000	209,400
Other emoluments	96,280	97,680
	360,280	307,080
	1,420,287	1,273,238

NOTES TO THE FINANCIAL STATEMENTS
cont'd

8. FINANCE COSTS

	The Group	
	2019	2018
	RM	RM
Interest expense on:		
Hire-purchase	2,059,272	1,873,785

9. INCOME TAX (CREDIT)/EXPENSE

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Estimated tax payable:				
Current year	7,713,282	12,188,087	2,080,234	2,262,816
(Over)/Under provision in prior years	(9,743,451)	7,896,726	48,323	(1,575)
	(2,030,169)	20,084,813	2,128,557	2,261,241
Deferred tax (Note 27):				
Current year	2,344,505	907,629	-	-
Overprovision in prior years	(409,988)	(12,000)	-	-
	1,934,517	895,629	-	-
	(95,652)	20,980,442	2,128,557	2,261,241

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INCOME TAX (CREDIT)/EXPENSE *cont'd*

A reconciliation of income tax (credit)/expense applicable to profit before tax at the applicable statutory income tax rate to income tax (credit)/expense at the effective income tax rate of the Group and the Company are as follows:

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Profit before tax	32,372,102	44,607,808	29,279,479	20,957,305
Tax at tax rate of 24%	7,769,305	10,705,874	7,027,075	5,029,753
Effect of different tax rates	34,670	(47,637)	-	-
Tax effects of:				
Income not taxable	-	-	(5,374,931)	(3,398,400)
Expenses not deductible	2,177,815	2,443,870	428,090	631,463
Utilisation of deferred tax assets previously not recognised	-	(6,391)	-	-
Unused tax losses for which deferred tax asset has not been recognised	75,997	-	-	-
(Over)/Under provision in prior years:				
Current tax	(9,743,451)	7,896,726	48,323	(1,575)
Deferred tax	(409,988)	(12,000)	-	-
Income tax (credit)/ expense	(95,652)	20,980,442	2,128,557	2,261,241

On 20 December 2013, GD Express Sdn. Bhd. ("GDESB"), a wholly-owned subsidiary of the Company, was granted pioneer status for a period of 5 years commencing 26 September 2012 under Promotion of Investments (Promoted Activities and Promoted Products) (Amendment) Order 2005. By virtue of the pioneer status, 70% of the statutory income of the subsidiary company during the period will be exempted from income tax. The existing pioneer status tax incentive lapsed on 25 September 2017.

On 14 December 2017, GDESB was notified that the pioneer status was rescinded as the GDESB's equity structure had not met the requirements of the pioneer status. The rescindment took effect retrospectively from 12 February 2016 onwards. The appealing process was initiated by GDESB based on the advice from the authority. The authority did not provide a conclusion on this matter prior to GDESB submitting the tax payable for YA2016 and YA2017. This has resulted in underprovision of RM2,727,710 and RM5,287,392 in YA2016 and YA2017 respectively.

On 10 May 2019, GDESB had obtained the approval from the Ministry Of Finance ("MOF") for the change of equity structure and reinstatement of its pioneer status for YA2016, YA2017 and YA2018. Accordingly, overprovision of income tax expense of RM2,727,710, RM5,289,552 and RM1,726,189 of the respective YAs have been recognised during the year.

As a result of the above, the Group has also reversed the tax penalty payment accrued for YA2016 in prior year amounted to RM954,699 during the financial year (2018: tax penalty of RM1,169,326) as disclosed in Note 7.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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 year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2019 RM	2018 RM
Profit attributable to owners of the Company	32,467,754	23,627,366
Weighted average number of ordinary shares	5,615,936,055	5,586,223,268
Basic earnings per ordinary share (sen)	0.58	0.42

Diluted

The diluted earnings per share of the Group has been calculated by dividing the Group's profit for the 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	
	2019 RM	2018 RM
Profit attributable to owners of the Company	32,467,754	23,627,366
Weighted average number of ordinary shares	5,615,936,055	5,586,223,268
Effect of dilution:		
Warrants	(54,869,648)	249,469,701
Adjusted weighted average number of ordinary shares	5,561,066,407	5,835,692,969
Diluted earnings per share (sen)	0.58	0.40

NOTES TO THE FINANCIAL STATEMENTS
cont'd

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold buildings	Office equipment, furniture and fittings	Computer hardware and software	Tools and equipment	Motor vehicles	Renovation	Total
	RM	RM	RM	RM	RM	RM	RM
Cost							
As of 1 July 2017	10,138,398	13,168,463	7,857,833	8,029,291	77,947,773	10,051,971	127,193,729
Additions	38,536	1,148,239	1,461,005	1,224,836	26,615,484	2,150,121	32,638,221
Disposals	-	(137,927)	(22,656)	(54,124)	(1,237,826)	-	(1,452,533)
Written off	-	(167,160)	(54,226)	(3,084)	(22,400)	-	(246,870)
Exchange differences	-	(3,965)	(680)	(589)	(63,773)	(10,989)	(79,996)
As of 30 June 2018/ 1 July 2018	10,176,934	14,007,650	9,241,276	9,196,330	103,239,258	12,191,103	158,052,551
Additions	3,272,869	1,923,911	4,614,882	4,560,966	20,463,786	6,864,161	41,700,575
Disposals	-	(56,451)	(48,894)	(38,874)	(590,977)	-	(735,196)
Written off	-	(184,474)	(8,053)	(38,341)	(31,800)	(6,700)	(269,368)
Exchange differences	-	2,851	433	375	40,583	6,993	51,235
As of 30 June 2019	13,449,803	15,693,487	13,799,644	13,680,456	123,120,850	19,055,557	198,799,797

NOTES TO THE FINANCIAL STATEMENTS
cont'd

11. PROPERTY, PLANT AND EQUIPMENT *cont'd*

The Group	Leasehold 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 2017	1,003,101	8,013,488	4,445,640	4,126,751	35,737,448	5,805,909	59,132,337
Charge for the year	204,115	1,284,010	1,343,526	909,414	9,128,973	1,546,335	14,416,373
Disposals	-	(103,577)	(21,648)	(18,316)	(945,188)	-	(1,088,729)
Written off	-	(134,138)	(40,340)	(2,367)	(19,901)	-	(196,746)
Exchange differences	-	(3,335)	(573)	-	(47,449)	(9,656)	(61,013)
As of 30 June 2018/ 1 July 2018	1,207,216	9,056,448	5,726,605	5,015,482	43,853,883	7,342,588	72,202,222
Charge for the year	204,756	1,463,370	1,715,287	1,370,066	11,815,087	2,204,305	18,772,871
Disposals	-	(41,355)	(35,424)	(16,790)	(590,956)	-	(684,525)
Written off	-	(131,455)	(5,557)	(8,093)	(31,798)	(1,699)	(178,602)
Exchange differences	-	2,300	413	-	40,582	6,918	50,213
As of 30 June 2019	1,411,972	10,349,308	7,401,324	6,360,665	55,086,798	9,552,112	90,162,179
Net Book Value							
As of 30 June 2019	12,037,831	5,344,179	6,398,320	7,319,791	68,034,052	9,503,445	108,637,618
As of 30 June 2018	8,969,718	4,951,202	3,514,671	4,180,848	59,385,375	4,848,515	85,850,329

Included in property, plant and equipment of the Group are motor vehicles under hire-purchase arrangements with net book value of approximately RM55,234,817 (2018: RM50,074,657). These motor vehicles have been charged to local licensed banks for hire-purchase obligations as disclosed in Note 25.

Included in the cost of property, plant and equipment of the Group is an amount of RM35,249,190 (2018: RM27,091,825) representing fully depreciated property, plant and equipment which are still in use by the Group.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

12. PREPAID LEASE PAYMENTS

	The Group Long-term leasehold land RM
Cost:	
As of 1 July 2017/30 June 2018/1 July 2018	25,861,747
Additions	1,636,435
As of 30 June 2019	27,498,182
Cumulative Amortisation:	
As of 1 July 2017	(3,823,641)
Amortisation for the year	(531,103)
As of 30 June 2018/1 July 2018	(4,354,744)
Amortisation for the year	(531,108)
As of 30 June 2019	(4,885,852)
Residual Value:	
As of 30 June 2019	22,612,330
As of 30 June 2018	21,507,003

Prepaid lease payments relate 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 which amounted RM7,398,658 (2018: RM7,398,658). These lands were amalgamated under the new land title at Lot No. PT43, Seksyen 20, which was issued on 27 August 2015. 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 37 years (2018: 38 years).

(ii) Lease of land for the Group's factory building at No. 17 Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia which amounted RM16,619,756 (2018: 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 39 years (2018: 40 years).

12. PREPAID LEASE PAYMENTS *cont'd*

Prepaid lease payments relate to: *cont'd*

(iii) Lease of land for the Group's factory building at 8 ½ Mile, Batu Kitang Road, Kuching which amounted RM3,479,768 (2018: RM1,843,333). 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 57 years (2018: 58 years).

13. INVESTMENT PROPERTIES

	At fair value		
	Freehold properties	Long-term leasehold property	Total
The Group	**RM**	**RM**	**RM**
As of 1 July 2017	-	-	-
Arising from acquisition of subsidiary company (Note 14)	7,200,000	10,700,000	17,900,000
As of 30 June 2018/1 July 2018	7,200,000	10,700,000	17,900,000
Fair value (loss)/gain arising from valuation	(675,000)	800,000	125,000
As of 30 June 2019	6,525,000	11,500,000	18,025,000

The following are recognised in profit or loss in respective of investment properties.

	2019	2018
The Group	**RM**	**RM**
Rental income	561,811	365,910
Other operating expenses	379,516	37,413

(a) At fair value

The fair values of the Group's investment properties as of 30 June 2019 have been arrived at by the directors based, among others, on valuations carried out in June 2019 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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

13. INVESTMENT PROPERTIES *cont'd*

(a) At fair value *cont'd*

The fair values of the Group's investment properties are classified as a Level 2 fair value item for the purposes of fair value hierarchy disclosure, except for a lease of land for the Group's factory building at No. 196803, Jalan Hala Jati 12, Kawasan Perindustrian Taman Meru, Off Jalan Jelapang, 30200 Ipoh, Perak Darul Ridzuan which amounted RM11,500,000 (2018: RM10,700,000) is categorised into Level 3 of the fair value hierarchy. The following table shows the significant unobservable input used in the valuation model.

Type	**Significant unobservable inputs**	**Relationship of unobservable inputs and fair value measurement**
Leasehold land and factory building	The most significant input into replacement cost method is price per square foot. The value of leasehold land and factory building are adjusted for differences in key attributes such as property size and usage of the property. Lack of market evidence of transaction prices for similar properties.	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

There were no transfers between Level 1 and 2 during the year.

14. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2019	**2018**
	RM	**RM**
Unquoted shares - at cost:		
At beginning and at end of year	41,365,225	41,365,225
Less: Impairment loss	(2,983,524)	(2,285,324)
Net	38,381,701	39,079,901

NOTES TO THE FINANCIAL STATEMENTS
cont'd

14. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Details of the subsidiary companies are as follows:

Name	Country of Incorporation	Proportion of ownership interest and voting power held by the Group 2019 %	2018 %	Principal Activities
Direct subsidiaries				
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	Involved in investment holding
GD Logistics (M) Sdn. Bhd.*	Malaysia	100	100	Engaged in 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	Provision of insurance services
GD Express (Singapore) Pte. Ltd.*	Singapore	100	100	Provision of express delivery services
GDEX Regional Alliance Pte. Ltd.*	Singapore	100	100	Dormant
Indirect subsidiaries 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	Engaged in logistics operations
GD Customised Solution Sdn. Bhd.*	Malaysia	100	100	Engaged in logistics operations
Indirect subsidiaries held through GD Facilities & Assets Management Sdn. Bhd.				
GDEX Properties Sdn. Bhd.	Malaysia	100	100	Involved in property investment holding

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

NOTES TO THE FINANCIAL STATEMENTS
cont'd

14. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

During the financial year, the Company has initiated a set up of a subsidiary company in Republic of Indonesia, by the name of PT Gede Advisory Indonesia ("PT Gede"). The principal activity of PT Gede is of provision of advisory service. The capital injection to complete the set up was made on 26 September 2019, amounting to RP18,000,000,000 (approximately RM5.35 million) through the Company and GDEX SEA Sdn. Bhd.

Composition of the Group

Information about the composition of the Group's subsidiary companies at the end of the reporting period is as follows:

Principal activities	Place of incorporation and operation	Number of wholly-owned subsidiaries 2019	Number of wholly-owned subsidiaries 2018
Express Delivery	Malaysia	6	5
	Singapore	2	2
Logistics	Malaysia	3	4
Investment Holding	Malaysia	1	1
		12	12

Amount owing by/(to) subsidiaries, 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.

Subsidiary acquired

On 26 October 2017, GD Facilities & Assets Management Sdn. Bhd., a wholly-owned subsidiary of the Company entered into a Conditional Share Sale Agreement ("SSA") with Abric Berhad for the acquisition of 2,000,000 ordinary shares representing 100% equity in GDEX Properties Sdn. Bhd. (formerly known as Abric Properties Sdn. Bhd.) ("GDEXP"), a wholly-owned subsidiary of Abric Berhad for a total purchase consideration of RM19,300,000. The acquisition was completed on 15 January 2018.

				The Group
	Principal activities	Date of acquisition	Proportion of shares acquired	Cash consideration transferred RM
2018:				
GDEXP	Involved in property investment holding	15 January 2018	100%	19,300,000

NOTES TO THE FINANCIAL STATEMENTS
cont'd

14. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Assets and liabilities assumed at the date of acquisition

	GDEXP Fair value RM
2018:	
Non-current assets	
Investment properties (Note 13)	17,900,000
Current assets	
Other receivables	30,034
Cash and bank balances	296,445
	326,479
Total Assets	18,226,479
Current liabilities	
Other payables and accruals	(236,396)
Tax liabilities	(36,160)
Total Liabilities	(272,556)
Fair value of net assets	17,953,923

Goodwill arising on acquisition

	GDEXP RM
2018:	
Consideration transferred	19,300,000
Less:	
Fair value of identifiable net assets acquired	(17,953,923)
Goodwill arising on acquisition (Note 17)	1,346,077

The goodwill is attributable mainly to three investment properties with ongoing tenancies.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

14. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Net cash outflow on acquisition of subsidiary

	The Group 2018 RM
Consideration paid in cash	19,300,000
Less: Cash and bank balances acquired	(296,445)
Net cash outflow	19,003,555

Impact of acquisitions on the results of the Group

Included in the Group's revenue and profit for the year are amounts attributable to the additional business generated by the subsidiary as follows:

	The Group 15.01.2018 to 30.06.2018 RM
Revenue	365,910
Profit for the year	179,853

Had this business combination been effected at 1 July 2017, the revenue of the Group would have been RM293,750,418, and the profit for the year would have been RM31,390,269. The directors of the Group consider these "pro-forma" numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

15. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Unquoted shares				
- at cost				
At beginning of year	5,500,000	5,500,000	5,500,000	5,500,000
Additional interest in Web Bytes Sdn. Bhd.	2,200,000	-	2,200,000	-
Subscription of IPO shares in SAPX	26,607,289	-	-	-
At end of year	34,307,289	5,500,000	7,700,000	5,500,000
Share of post acquisition reserve				
At beginning of year	176,991	160,831	-	-
Share of profits of Web Bytes Sdn. Bhd.	3,529	16,160	-	-
Share of loss of SAPX	(5,443,811)	-	-	-
At end of year	(5,263,291)	176,991	-	-
Share of net assets	29,043,998	5,676,991	7,700,000	5,500,000

The details of associates are as follows:

Name	Country of incorporation	Proportion of ownership interest/voting rights held by the Group 2019	2018	Principal activities
Web Bytes Sdn. Bhd.	Malaysia	32.69%	30.00%	Provision of software solution and other related activities
PT Satria Antara Prima TBK ("SAPX")	Indonesia	44.50%	-	Provision of courier delivery service

NOTES TO THE FINANCIAL STATEMENTS
cont'd

15. INVESTMENT IN ASSOCIATES *cont'd*

Investment in Web Bytes Sdn. Bhd.

On 2 November 2018, the Company entered into a Shareholder's Loan Agreement with Web Bytes Sdn. Bhd., the associate of the Company, granted Web Bytes Sdn. Bhd. a loan of RM2,000,000 with 5% interest per annum for a period of 5 years commencing from the date of the Agreement.

	The Group and The Company	
	2019	2018
	RM	RM
Loan to an associate company	2,000,000	-

On 2 May 2019, the Company entered into a Subscription Agreement with Web Bytes Sdn. Bhd. to subscribe for additional 4,000 new ordinary shares ("Subscription Shares") in Web Bytes Sdn. Bhd. for a total consideration of RM2,200,000.

Summarised financial information of the associate 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.

	2019	2018
	RM	RM
Statement of financial position		
Non-current assets	1,269,931	274,520
Current assets	7,058,364	2,611,281
Total assets	8,328,295	2,885,801
Current liabilities	(3,723,303)	(1,003,284)
Net assets of the associate	4,604,992	1,882,517
Statement of comprehensive income		
Revenue	7,754,513	7,178,312
Profit for the year	62,814	53,868
Share of profits of an associate	3,529	16,160

NOTES TO THE FINANCIAL STATEMENTS
cont'd

15. INVESTMENT IN ASSOCIATES *cont'd*

Investment in Web Bytes Sdn. Bhd. *cont'd*

Reconciliation of the above summarised financial information to the carrying amount of the interest in associate recognised in the consolidated financial statements:

	2019 RM	2018 RM
Proportion of net assets of the associate	1,505,372	564,755
Goodwill	6,194,628	4,935,245
	7,700,000	5,500,000
Share of profits of an associate	180,520	176,991
	7,880,520	5,676,991

Investment in SAPX

On 3 October 2018, the Company and its two wholly-owned subsidiary companies, namely GDEX SEA Sdn. Bhd. and GD Valueguard Sdn. Bhd. subscribed to 16.5%, 18% and 10% respectively, equivalent to a total of 370,833,300 new ordinary shares of IDR100 each at issue price of IDR250 per share, representing 44.5% of the total number of ordinary shares of SAPX, for a total consideration of IDR92,708,325,000 (equivalent to approximately MYR26.6 million) from the IPO of SAPX.

SAPX, a Company incorporated in the Republic of Indonesia, listed on PT Bursa Efek Indonesia ("BEI"), and is principally involved in the business of a service company specialised in the field of courier and cargo.

The management determined that the Group has significant influence over SAPX by virtue of contractual rights to vote and advises SAPX on financial and technology related matters. Accordingly, SAPX has been accounted for as associate under MFRS 128 Investments In Associates at the group level.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

15. INVESTMENT IN ASSOCIATES *cont'd*

Investment in SAPX *cont'd*

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.

	2019 RM	2018 RM
Statement of financial position		
Non-current assets	7,141,440	-
Current assets	25,781,329	-
Total assets	32,922,769	-
Non-current liabilities	(5,031,138)	-
Current liabilities	(4,550,448)	-
Total liabilities	(9,581,586)	-
Net assets of the associate	23,341,183	-
Statement of comprehensive income		
Revenue for the period	62,368,613	-
Loss for the period	(12,233,284)	-
Share of loss of an associate *	(5,443,811)	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in associate recognised in the consolidated financial statements:

	2019 RM	2018 RM
Proportion of net assets of the associate	10,462,626	-
Goodwill	16,144,663	-
	26,607,289	-
Share of loss of an associate *	(5,443,811)	-
	21,163,478	-

* The share of loss of SAPX is recognised to the extent to the unrelated interests in the associate from upstream transaction as a result of redemption of convertible bonds.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

16. INVESTMENT IN CONVERTIBLE BONDS

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
At beginning of year	10,380,000	10,380,000	10,380,000	10,380,000
Redemption	(10,380,000)	-	(10,380,000)	-
At end of year	-	10,380,000	-	10,380,000

On 24 November 2016, the Company entered into a Convertible Bonds Agreement ("CBA") with SAPX, to subscribe the convertible bonds amounted to IDR30,000,000,000 (approximately RM10,380,000). The subscription was completed on 27 December 2016.

The subscription of the convertible bonds was part of the Group's regional expansion plan. The convertible bonds were non-interest bearing and it was convertible to 40% of the total issued and paid-up share capital of SAPX upon the occurrence of certain event within 5 years from the issue date of the convertible bonds.

As a result of certain rights as stipulated in the CBA, the management of the Company had determined that the Group has joint control over SAPX. These rights over SAPX include the following:

- Involvement in key divisions of SAPX to support its operations
- Power to nominate the member of Board of Directors

Summarised financial information of SAPX is set out below. During the last financial year, the Company did not hold any contractual equity interest over the investment. Consequentially, the Company was not entitled to any share of profit or loss and other comprehensive income of the investment.

	2019		2018	
	IDR	Equivalents RM	IDR	Equivalents RM
Assets	-	-	64,656,796,280	18,168,560
Liabilities	-	-	56,162,127,145	15,781,558
Revenue	-	-	186,928,796,118	56,078,639
Loss after tax	-	-	9,641,701,548	2,892,510

Upon the IPO of SAPX, the Company did not convert the rights into equity interest. The convertible bonds were fully redeemed by SAPX on 18 October 2018 and 24 October 2018, at the redemption amount of IDR 67,200,000,000 (approximately RM17.29 million), resulting in a gain on redemption of IDR 37,200,000,000 (approximately RM7.9 millon). The joint control rights lapsed as a result of successful redemption of convertible bonds.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

17. GOODWILL ARISING FROM CONSOLIDATION

	The Group	
	2019	2018
	RM	RM
At beginning of year	397,385	-
Additions (Note 14)	-	1,346,077
Less: Impairment loss	(397,385)	(948,692)
At end of year	-	397,385

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination. Before recognition of any impairment losses, the carrying amount of goodwill was allocated to the following CGUs:

	The Group	
	2019	2018
	RM	RM
Leasehold land and factory buildings	948,692	948,692
Commercial office 1	248,366	248,366
Commercial office 2	149,019	149,019
	1,346,077	1,346,077

The recoverable amounts of CGUs are determined based on 'fair value less cost to sell' where a market valuation was performed by the qualified external valuers using comparison method as follows:

Leasehold land, commercial office 1 and 2 - transacted prices for similar properties

Factory buildings - replacement cost method

The fair value hierarchy and significant inputs are as disclosed in Note 13(a).

The review led to the recognition of the above impairment loss of goodwill to leasehold land and factory buildings due to the significant uncertainties of recovering values exceeding the market value of the property as there is non-renewal of tenancy and a stagnant property market.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

18. OTHER INVESTMENT

	The Company	
	2019	2018
	RM	RM
Quoted shares measured at FVTOCI:		
At beginning of year	-	-
Addition	9,865,625	-
Fair value gain	20,148,563	-
At end of year	30,014,188	-

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, representing 16.5% of the total number of ordinary shares of SAPX, for a total consideration of IDR34,375,000,000 (equivalent to approximately MYR9.866 million) from the IPO of SAPX.

The Company has irrevocably elected to classify the equity instrument as FVTOCI because they are held within a business model whose objective is to collect cash flows but it does not give rise to a contractual payment of principal and interest on the investment.

19. INVESTMENT IN REDEEMABLE CONVERTIBLE PREFERENCE SHARES

	The Group and The Company	
	2019	2018
	RM	RM
Financial asset measured at FVTPL:		
At beginning of year	-	-
Addition	500,000	-
At end of year	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 irreconciliable 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
cont'd

20. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables consist of:

	The Group	
	2019	2018
	RM	RM
Trade receivables	54,178,577	53,648,858
Less: Allowance for impairment	(2,639,710)	(2,637,736)
Net	51,538,867	51,011,122

The currency exposure profile of trade receivables is as follows:

	The Group	
	2019	2018
	RM	RM
Ringgit Malaysia	53,968,692	53,494,804
Singapore Dollar	209,885	154,054
	54,178,577	53,648,858

Trade receivables of the Group represent amounts receivable for the provision of express delivery services and logistics. The credit periods granted to customers range from 30 to 60 days (2018: 30 to 60 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 each reporting date. 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. 80% of the trade receivables that are neither past due nor impaired have the best credit scoring attributable under the external credit scoring system used by the Group.

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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

20. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES *cont'd*

The movement of allowance for impairment during the year is as follows:

	The Group	
	2019	**2018**
	RM	**RM**
At beginning of year	2,637,736	2,257,611
Impact of adoption of MFRS 9	683,527	-
	3,321,263	2,257,611
Amount recognised	719,912	1,760,807
Amount recovered during the year	(1,401,602)	(1,380,144)
Net (Note 7)	(681,690)	380,663
Translation differences	137	(538)
At end of year	2,639,710	2,637,736

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 reporting date.

	Gross trade receivables	**Lifetime ECL**
	RM	**RM**
30 June 2019		
The Group		
Not past due and impaired:		
1 to 120 days	47,359,928	471,790
Past due and impaired:		
120 to 150 days	3,269,769	180,571
150 to 365 days	1,677,331	748,553
More than 365 days	1,871,549	1,238,796
	54,178,577	2,639,710

NOTES TO THE FINANCIAL STATEMENTS
cont'd

20. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES *cont'd*

	Gross trade receivables	Lifetime ECL
	RM	RM
1 July 2018		
The Group		
Not past due and impaired:		
1 to 120 days	47,600,368	589,489
Past due and impaired:		
120 to 150 days	2,256,779	219,060
150 to 365 days	1,865,761	1,003,840
More than 365 days	1,925,950	1,508,874
	53,648,858	3,321,263

Other receivables and prepaid expenses consist of:

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Refundable deposits	11,701,598	9,297,072	200	200
Prepaid expenses	8,596,034	6,307,965	77,524	11,760
Other receivables	298,001	1,858,051	70,692	-
Withholding tax receivable	1,045,320	-	1,045,320	-
Goods and Services Tax receivable	274,866	94,735	796	3,126
Deferred expenses	861,511	-	-	-
	22,777,330	17,557,823	1,194,532	15,086

Other receivables balance are not past due and not impaired.

Included in refundable deposits is deposits paid in relation to purchase of motor vehicles of RM1,006,467 (2018: RM368,993), purchase of leasehold land and building of RMNil (2018: RM921,120) and rental deposit for branches of RM6,273,986 (2018: RM4,469,258).

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 AND PREPAID EXPENSES *cont'd*

The currency exposure profile of other receivables is as follows:

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Ringgit Malaysia	1,325,840	1,850,089	1,116,012	-
Singapore Dollar	17,481	7,962	-	-
	1,343,321	1,858,051	1,116,012	-

21. SHORT TERM FUNDS

	The Group and The Company	
	2019	2018
	RM	RM
Financial assets measured at FVTPL:		
Investment in money market funds - at fair value	12,200,014	17,035,863

22. RELATED COMPANY 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 GD Express Carrier Bhd.
Yamato Transport (M) Sdn. Bhd.	A subsidiary of substantial shareholder of GD Express Carrier Bhd.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

22. RELATED COMPANY TRANSACTIONS *cont'd*

During the financial year, significant related company transactions undertaken based on agreed terms are as follows:

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
With related company, Yamato Asia Pte. Ltd.				
Advisory fees	(120,000)	(117,645)	(120,000)	(117,645)
Yamato Transport (M) Sdn. Bhd.				
Express delivery fee	1,347,062	1,544,548	-	-
With subsidiary companies, GD Venture (M) Sdn. Bhd.				
Management fee	-	-	610,500	610,500
GD Express Sdn. Bhd.				
Management fee	-	-	927,960	927,960
Dividends	-	-	14,446,000	14,160,000
GD Facilities & Assets Management Sdn. Bhd.				
Management fee	-	-	293,040	293,040
GD Valueguard Sdn. Bhd.				
Management fee	-	-	122,100	122,100
GD Logistics Sdn. Bhd.				
Management fee	-	-	488,400	488,400
With associated company, SAPX				
Subscription of IPO shares	26,607,289	-	-	-
Gain on redemption of convertible bonds	7,949,546	-	7,949,546	-
Web Bytes Sdn. Bhd.				
Software development fee	(48,966)	(125,640)	-	-

NOTES TO THE FINANCIAL STATEMENTS
cont'd

23. ISSUED CAPITAL

		The Group and the Company			
	Note	Number of ordinary shares		RM	
		2019	2018	2019 RM	2018 RM
Issued and fully paid:					
At beginning of year		5,602,624,193	5,576,236,692	327,809,125	313,836,577
Allotment of shares pursuant to:					
- Warrants 2015/2020 exercised	23(ii)	-	1,834,764	-	701,797
- DRP	23(i)(b)	38,764,142	24,552,737	10,078,677	13,270,751
At end of year		5,641,388,335	5,602,624,193	337,887,802	327,809,125

(i) Ordinary Shares

During the financial year, the Company increased its issued and paid-up share capital from RM327,809,125, comprising 5,602,624,193 ordinary shares, to RM337,887,802, comprising 5,641,388,335 ordinary shares, as follows:

(a) Exercise of Warrants 2015/2020

There was no issuance of ordinary shares pursuant to the exercise of Warrants 2015/2020 during the financial year.

(b) Dividend Reinvestment Plan ("DRP")

The Company via the announcement on 7 December 2017 proposed to undertake a recurrent and optional dividend reinvestment plan that allows the shareholders to reinvest their dividend as new ordinary shares in the Company.

The rationale of the DRP are as follows:

(i) dividends that are reinvested are utilised to fund the continuing business growth and expansion plan, and for working capital of the Group;

(ii) improve liquidity of the Company's shares traded on the Main Market of Bursa Malaysia Securities Berhad; and

(iii) enhance and maximise shareholders' value via the subscription of new shares where the issue price of a new share shall be at discount and the subscription shall be free from any brokerage fees and other related transaction cost.

A total of 38,764,142 new ordinary shares at the issue price of RM0.26 per share was issued pursuant to the exercise of DRP on 22 February 2019.

23. ISSUED CAPITAL *cont'd*

(i) Ordinary Shares *cont'd*

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

(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.

(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 last financial year, 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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

23. ISSUED CAPITAL *cont'd*

(ii) Warrants 2015/2020 *cont'd*

The movements of Warrants 2015/2020 during the year are as follows:

	Number of Warrants 2015/2020	
	2019	2018
At beginning of year	706,030,568	707,865,332
Exercised during the year	-	(1,834,764)
At end of year	706,030,568	706,030,568

24. RESERVES

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Non-distributable:				
Translation reserve	346,010	289,581	-	-
Fair value reserve	-	-	20,148,563	-
	346,010	289,581	20,148,563	-
Distributable:				
Retained earnings	140,930,580	121,582,494	73,316,827	57,371,147
	141,276,590	121,872,075	93,465,390	57,371,147

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.

Retained earnings

The entire retained earnings of the Company are available for distribution of dividend under the single-tier income tax system.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

24. RESERVES *cont'd*

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 are derecognised or impaired.

25. HIRE-PURCHASE PAYABLES

	The Group	
	2019	2018
	RM	RM
Total outstanding	42,390,560	44,251,750
Less: Interest-in-suspense	(2,203,360)	(3,033,205)
Principal outstanding	40,187,200	41,218,545
Less: Amount due within 12 months (shown under current liabilities	(19,721,613)	(15,155,343)
Non-current portion	20,465,587	26,063,202

The non-current portion is repayable as follows:

	The Group	
	2019	2018
	RM	RM
Within 1 - 2 years	15,063,150	14,234,306
Within 3 - 5 years	5,402,437	11,828,896
	20,465,587	26,063,202

The interest rates implicit in these hire-purchase obligations ranges from 2.45% to 5.82% (2018: 2.45% to 7.16%) 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
cont'd

26. PROVISION FOR RETIREMENT BENEFITS

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
At beginning of year	325,682	281,722	28,108	24,842
Charge to profit or loss (Note 7)	-	45,086	-	3,266
Benefit paid	(5,218)	-	-	-
Translation adjustment	850	(1,126)	-	-
At end of year	321,314	325,682	28,108	28,108

The most recent actuarial valuation of the defined benefit plan was carried out on 14 July 2015 by Mr. Sreedhar Menon, Fellow of the Society of Actuaries (SOA). 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 Company.

The principal assumptions used in calculating the provision for retirement benefits are as follows:

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Discount rate	5.00%	5.00%	5.00%	5.00%
Monthly average staff turnover rate	5.00%	5.00%	5.00%	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.

27. DEFERRED TAX LIABILITIES

	The Group 2019 RM	The Group 2018 RM
At beginning of year	(4,942,829)	(4,047,200)
Impact on adoption of MFRS 9	164,047	-
Impact on adoption of MFRS 15	440,509	-
	(4,338,273)	-
(Charge)/Credit to profit or loss (Note 9):		
Property, plant and equipment	(1,762,431)	(998,799)
Trade receivables	(161,504)	94,022
Provision for retirement benefits	(63,024)	9,148
Deferred revenue	(179,558)	-
Unabsorbed capital allowances	232,000	-
	(1,934,517)	(895,629)
At end of year	(6,272,790)	(4,942,829)

Deferred tax liabilities provided in the financial statements are in respect of the tax effects of the following:

	The Group 2019 RM	The Group 2018 RM
Deferred tax assets (before offsetting):		
Temporary differences arising from:		
Trade receivables	632,963	630,420
Provision for retirement benefits	2,344	65,368
Deferred revenue	260,951	-
Unabsorbed capital allowances	232,000	-
	1,128,258	695,788
Offsetting	(1,128,258)	(695,788)
Deferred tax assets (after offsetting)	-	-

NOTES TO THE FINANCIAL STATEMENTS
cont'd

27. DEFERRED TAX LIABILITIES *cont'd*

Deferred tax liabilities provided in the financial statements are in respect of the tax effects of the following: *cont'd*

	The Group	
	2019	**2018**
	RM	**RM**
Deferred tax liabilities (before offsetting):		
Temporary differences arising from property, plant and equipment	(7,401,048)	(5,638,617)
Offsetting	1,128,258	695,788
Deferred tax liabilities (after offsetting)	(6,272,790)	(4,942,829)

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits 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 deductible temporary differences and unused tax losses can be utilised. As of year end, the unused tax losses pertaining to certain subsidiary companies, 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	
	2019	**2018**
	RM	**RM**
Unused tax losses	1,876,517	1,559,863

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

NOTES TO THE FINANCIAL STATEMENTS
cont'd

28. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade payables comprise mainly amounts outstanding for services rendered by suppliers. The average credit period granted to the Group is 30 days (2018: 30 days).

The currency exposure profile of trade payables is as follows:

	The Group	
	2019	2018
	RM	RM
Ringgit Malaysia	2,871,361	2,024,193
Singapore Dollar	9,995	12,623
	2,881,356	2,036,816

Other payables and accrued expenses consist of:

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Other payables	5,467,438	4,416,218	136,464	295,060
Accrued expenses	7,065,833	5,752,522	210,779	218,936
Accrued staff costs	6,749,813	9,496,899	-	-
Sales and Service Tax payable	4,957,518	-	-	-
Deferred revenue	1,948,806	-	-	-
	26,189,408	19,665,639	347,243	513,996

The currency exposure profile of other payables is as follows:

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Ringgit Malaysia	5,283,192	4,351,628	136,464	295,060
Singapore Dollar	184,246	64,590	-	-
	5,467,438	4,416,218	136,464	295,060

NOTES TO THE FINANCIAL STATEMENTS
cont'd

29. DIVIDENDS

	The Group and The Company	
	2019	2018
	RM	RM
In respect of financial year ended 30 June 2018:		
Dividend of 0.20 sen per share:		
DRP	10,078,677	-
Cash	1,126,565	-
In respect of financial year ended 30 June 2017:		
Dividend of 0.25 sen per share:		
DRP	-	13,270,751
Cash	-	671,402
	11,205,242	13,942,153

The directors proposed a dividend of 0.25 sen per share amounting to approximately RM14.1 million in respect of the financial year ended 30 June 2019. The proposed dividend, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, has not been included as a liability in the financial statements.

30. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Deposits with licensed banks	237,443,402	253,636,792	230,743,732	237,969,933
Cash and bank balances	30,059,509	32,640,178	10,855,825	14,145,257
	267,502,911	286,276,970	241,599,557	252,115,190
Less: Non cash and cash equivalents:				
Deposits with licensed banks with maturity term more than 3 months	(237,443,402)	(253,569,133)	(230,743,732)	(237,969,933)
	30,059,509	32,707,837	10,855,825	14,145,257

Deposits with licensed banks earn interest at rates ranging from 3.35% to 4.40% (2018: 2.95% to 4.41%) per annum. Deposits with licensed banks of the Group and of the Company have an average maturity term of 1 to 12 months (2018: 1 to 12 months).

NOTES TO THE FINANCIAL STATEMENTS
cont'd

30. CASH AND CASH EQUIVALENTS *cont'd*

Cash Held on Behalf of Customer from Cash on Delivery Service

As of 30 June 2019, cash held on behalf of customers from cash on delivery service amounting to RM4,097,936 (2018: RM5,633,544). 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	
	2019	2018	2019	2018
	RM	RM	RM	RM
Ringgit Malaysia	267,025,110	284,244,306	241,599,557	252,115,190
Singapore Dollar	477,801	2,032,664	-	-
	267,502,911	286,276,970	241,599,557	252,115,190

31. 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 financial year.

The capital structure of the Group consists of debt (as disclosed in Note 25) and equity (as disclosed in Note 23 and 24).

Gearing Ratio

The gearing ratio of the Group at the end of the reporting period is as follows:

	The Group	
	2019	2018
	RM	RM
Debt	40,187,200	41,218,545
Equity	479,164,392	449,681,200
Debt to equity ratio (%)	8.39	9.17

Debt consists of hire-purchase payables.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

31. FINANCIAL INSTRUMENTS *cont'd*

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.

Categories of Financial Instruments:

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Financial assets				
Financial assets measured at amortised cost:				
Trade receivables	51,538,867	-	-	-
Other receivables and refundable deposits (Note 20)	11,999,599	-	70,892	-
Cash and bank balances	30,059,509	-	10,855,825	-
Deposits with licensed banks	237,443,402	-	230,743,732	-
Amount owing by subsidiaries	-	-	100,226,743	-
Loan to an associate	2,000,000	-	2,000,000	-
Financial assets measured at FVTPL:				
Investment in redeemable convertible preference shares	500,000	-	500,000	-
Short term funds	12,200,014	17,035,863	12,200,014	17,035,863
Financial asset measured at FVTOCI:				
Other investment	-	-	30,014,188	-
Loans and receivables:				
Trade receivables	-	51,011,122	-	-
Other receivables and refundable deposits (Note 20)	-	11,155,123	-	200
Amount owing by subsidiaries	-	-	-	61,691,479
Cash and bank balances	-	32,640,178	-	14,145,257
Deposits with licensed banks	-	253,636,792	-	237,969,933

NOTES TO THE FINANCIAL STATEMENTS
cont'd

31. FINANCIAL INSTRUMENTS *cont'd*

Categories of Financial Instruments: *cont'd*

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Financial liabilities				
Other financial liabilities:				
Trade payables	2,881,356	2,036,816	-	-
Other payables and accrued expenses (Note 28)	19,283,084	19,665,639	347,243	513,996
Amount owing to subsidiaries	-	-	1,917,368	17,368
Hire-purchase payables (Note 25)	40,187,200	41,218,545	-	-

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.

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 and the Company are exposed to credit risk mainly from trade receivables and intercompany indebtedness.

The Group's and the Company's credit risk on 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 year. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the 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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

31. FINANCIAL INSTRUMENTS *cont'd*

Credit quality analysis

On 1 July 2019, the Group adopted the requirements of MFRS 9. 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.

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	Gross carrying amount (net of impairment provision)
			RM	RM
Lifetime ECL	1 to 365	Lifetime ECL	52,307,028	50,906,114
Credit impaired	More than 365	Credit impaired	1,871,549	632,753

There are no significant changes to estimation technique or assumption made during the financial year.

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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

31. FINANCIAL INSTRUMENTS *cont'd*

Liquidity Risk Management *cont'd*

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 (%)	Less than 1 year RM	1 to 2 years RM	3 to 5 years RM	Total RM
2019					
Financial liabilities					
Non-interest bearing:					
Trade payables		2,881,356	-	-	2,881,356
Other payables and accrued expenses		19,283,084	-	-	19,283,084
Interest bearing:					
Hire-purchase payables	5.43	21,210,204	15,735,898	5,444,458	42,390,560
		43,374,644	15,735,898	5,444,458	64,555,000
2018					
Financial liabilities					
Non-interest bearing:					
Trade payables		2,036,816	-	-	2,036,816
Other payables and accrued expenses		19,665,639	-	-	19,665,639
Interest bearing:					
Hire-purchase payables	5.52	16,872,574	15,187,347	12,191,829	44,251,750
		38,575,029	15,187,347	12,191,829	65,954,205

NOTES TO THE FINANCIAL STATEMENTS
cont'd

31. FINANCIAL INSTRUMENTS *cont'd*

Liquidity Risk Management *cont'd*

	The Company Less than 1 year	
	2019	**2018**
	RM	**RM**
Financial liabilities		
Non-interest bearing:		
Other payables	347,243	513,996
Amount owing to subsidiary companies	1,917,368	17,368
Financial guarantee contracts*	-	-

* At the end of the financial year, it was not probable that the counterparties to financial guarantee contracts will claim under the contracts. Consequently, the amount included is negligible.

Fair Values

The carrying amount of cash and cash equivalents, short term funds, trade and other receivables, trade and other payables, inter-company indebtedness and financial guarantee contracts of the Group and 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 the Company are measured at fair value in the statement 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 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:

NOTES TO THE FINANCIAL STATEMENTS
cont'd

31. FINANCIAL INSTRUMENTS *cont'd*

Hire-purchase payables and borrowing

	The Group			
	2019		2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM	RM	RM	RM
Financial Asset				
Loan to an associate	2,000,000	2,013,970	-	-
Financial Liabilities				
Hire-purchase payables (Note 25)	40,187,200	39,469,546	41,218,545	39,544,634

32. RENTAL COMMITMENTS

As of year end, the Group has the following commitments in respect of rental of premises:

	The Group	
	Future Minimum Lease Payments	
	2019	2018
	RM	RM
Within 1 year	7,393,250	4,788,503
1 - 2 years	6,422,794	1,073,510
2 - 5 years	-	155,138
	13,816,044	6,017,151

NOTES TO THE FINANCIAL STATEMENTS
cont'd

33. CAPITAL COMMITMENTS

	The Group	
	2019	2018
	RM	RM
Approved and contracted for:		
Purchase of motor vehicles	11,213,166	10,308,674
Purchase of tools and equipment	22,860	540,068
Purchase of leasehold lands and buildings	-	4,228,880
Renovation of warehouse	853,969	2,813,690
	12,089,995	17,891,312

34. CONTINGENT LIABILITIES - UNSECURED

	The Company	
	2019	2018
	RM	RM
Corporate guarantee given to a bank for banking facilities granted to subsidiary companies	123,000,000	92,000,000

The total amount of corporate guarantees provided by the Company to financial institutions for the banking facilities granted to subsidiary companies amounted to RM123,000,000 (2018: RM92,000,000). 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
cont'd

35. 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 statement of cash flows as cash flows from/(used in) financing activities:

	Hire-purchase payables (Note 25)	
	2019	2018
	RM	RM
At beginning of year	41,218,545	29,674,044
Cash flows	(17,957,316)	(11,944,008)
New hire purchase agreements	16,925,971	23,488,509
At end of year	40,187,200	41,218,545

36. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

Adoption of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contract with Customers

On 1 July 2018, the Company has adopted the requirements of MFRS 9 and MFRS 15. The changes in accounting policies have been applied retrospectively from 1 July 2018. In accordance with the transition requirements, comparatives are not restated. The accounting policies are disclosed in Note 3.

As at 1 July 2018, there were no changes to the classification and measurement of financial assets and liabilities except for the following:

Financial assets	Original measurement category under MFRS 139	New measurement category under MFRS 9
The Group		
Trade receivables	Loans and receivables	Amortised cost
Other receivables and refundable deposits	Loans and receivables	Amortised cost
Short term funds	Available-for-sale	FVTPL
Deposits with licensed banks	Loans and receivables	Amortised cost
Cash and bank balances	Loans and receivables	Amortised cost

NOTES TO THE FINANCIAL STATEMENTS
cont'd

36. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES *cont'd*

Adoption of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contract with Customers *cont'd*

As at 1 July 2018, there were no changes to the classification and measurement of financial assets and liabilities except for the following: *cont'd*

Financial assets	Original measurement category under MFRS 139	New measurement category under MFRS 9
The Company		
Other receivables and refundable deposits	Loans and receivables	Amortised cost
Amount owing by subsidiaries	Loans and receivables	Amortised cost
Short term funds	Available-for-sale	FVTPL
Deposits with licensed banks	Loans and receivables	Amortised cost
Cash and bank balances	Loans and receivables	Amortised cost

The following table summarise the impacts from the adoption of MFRS 9 and MFRS 15 on the financial statement.

	The Group 1 July 2018			
	As previously reported	MFRS 9 adjustments	MFRS 15 adjustments	As restated
Effects on:				
Trade receivables	51,011,122	(683,527)	-	50,327,595
Other receivables and prepaid expenses	17,557,823	-	1,165,753	18,723,576
Other payables and accrued expenses	(19,665,639)	-	(3,001,208)	(22,666,847)
Deferred tax liabilities	(4,942,829)	164,047	440,509	(4,338,273)
Effects on:				
Retained earnings	(121,582,494)	519,480	1,394,946	(119,668,068)

Impacts from the adoption of MFRS 9

Impairment of financial assets

Prior to 1 July 2018, the Group assessed the impairment of loans and receivables and financial asset at FVTPL based on the incurred loss model. Effective from 1 July 2018, the Group applied ECL model to determine impairment on financial assets measured at amortised cost, at FVTPL and at FVOCI.

36. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES *cont'd*

Impacts from the adoption of MFRS 15

Change in timing of revenue recognised due to additional performance obligations identified

Under MFRS 118, income from logistics services are recognised only when the services are rendered. Under MFRS 15, such services are recognised over time.

37. SUBSEQUENT EVENTS

(a) The Company has an intention to form a software development company in Vietnam together with its associate, Web Bytes Sdn. Bhd. and 3 Comma Capital Pte Ltd (3CC), a Singapore based investment company that focuses on investment in Vietnam. The proposed equity structure between the Company, Web Bytes Sdn. Bhd., and 3CC are 40%, 30% and 30% respectively, with total paid up capital of USD250,000 (approximately RM1.02 million). On 26 August 2019, the Company has entered into a conditional Shares Purchase Agreement and Shareholders' Agreement ("SPAS Agreement") with Web Bytes Sdn. Bhd. and 3CC. The SPAS Agreement and capital injection are conditional upon the approval of the Department of Planning and Investment Vietnam. The SPAS Agreement has not been completed as at the date of the report.

(b) As at the date of the report, the Management proposed a share buy-back authority of up to 10% of the issued shares of the Company which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

STATEMENT BY DIRECTORS

The directors of **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 provisions 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 30 June 2019 and of the financial performance and the cash flows of the Group and of the Company for the year then ended on that date.

Signed in accordance with a resolution of the Directors,

TEONG TECK LEAN **LEE KAH HIN**

Petaling Jaya,
8 October 2019

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 **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 8th day of October, 2019.

Before me,

HEMALA RAJALINGAM
NO.B430
COMMISSIONER FOR OATHS

ANALYSIS OF SHAREHOLDINGS
as at 10 October 2019

Total number of Issued Shares	:	5,641,388,335
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	286	2.61	8,584	0.00
100 – 1,000	875	7.99	473,899	0.01
1,001 – 10,000	4,550	41.58	26,273,781	0.42
10,001 – 100,000	4,435	40.52	146,037,672	2.03
100,001 – 282,069,416 [1]	793	7.25	1,667,101,766	29.14
282,069,417 and above [2]	5	0.05	3,801,492,633	68.40
TOTAL	**10,944**	**100.00**	**5,641,388,335**	**100.00**

Notes:-

[1] Less than 5% of issued shares.
[2] 5% and above of issued 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	22.83
2.	GD EXPRESS HOLDINGS (M) SDN BHD	718,230,283	12.73
3.	GD EXPRESS HOLDINGS (M) SDN BHD	690,540,273	12.24
4.	AFFIN HWANG NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR SINGAPORE POST LIMITED*	655,106,119	11.61
5.	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR BANK JULIUS BAER & CO LTD (SINGAPORE BCH)*	449,677,457	7.97
6.	GD HOLDINGS INTERNATIONAL LIMITED	115,359,314	2.05
7.	AFFIN HWANG NOMINEES (ASING) SDN BHD *EXEMPT AN FOR DBS VICKERS SECURITIES (SINGAPORE) PTE LTD (CLIENTS)*	113,002,405	2.00

ANALYSIS OF SHAREHOLDINGS
as at 10 October 2019
cont'd

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS *cont'd*

No.	Name of Shareholders/Depositors	No. of Shares	%
8.	LEONG CHEE TONG	94,656,916	1.68
9.	DING MEI SIANG	92,951,920	1.65
10.	CIMB GROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR DBS BANK LTD (SFS-PB)*	82,735,206	1.47
11.	LAU WING TAT	73,839,555	1.31
12.	LAU WING TAT	69,578,641	1.23
13.	LOI SIEW HOONG	59,318,393	1.05
14.	TEONG TECK LEAN	56,578,465	1.00
15.	AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	46,669,483	0.83
16.	AGNES CHAN WAI CHING	45,333,428	0.80
17.	KONG HWAI MING	41,471,653	0.74
18.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD *EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)*	40,382,692	0.72
19.	AMSEC NOMINEES (TEMPATAN) SDN BHD *AMBANK (M) BERHAD FOR TEONG TECK LEAN (6186-1501)*	27,381,624	0.49
20.	AFFIN HWANG NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR LAU CHEN HONG*	27,122,978	0.48
21.	TEE CHERN JYU	24,561,829	0.44
22.	MAYBANK INVESTMENT BANK BERHAD IVT (13)	22,531,100	0.40
23.	GDEX FOUNDATION	19,990,408	0.35
24.	TEONG TECK LEAN	18,424,621	0.33
25.	CHAN MOON FOOK	17,274,597	0.31
26.	CHIN CHEE SUE	14,992,804	0.27
27.	CARTABAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR LGT BANK AG (FOREIGN)*	13,788,993	0.24
28.	WANG HERNG TSUEY	12,604,215	0.22
29.	MILLENNIUM SECTOR SDN BHD	12,395,370	0.22
30.	TEONG TECK LEAN	12,148,238	0.22
	TOTAL	**4,956,587,481**	**87.88**

ANALYSIS OF SHAREHOLDINGS

as at 10 October 2019
cont'd

DIRECTORS' SHAREHOLDINGS AS AT 10 OCTOBER 2019

Name of Directors	Direct Interest No. of Shares	Direct Interest % of Issued Capital	Indirect Interest No. of Shares	Indirect Interest % of Issued Capital
DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	46,669,483	0.83	9,856,535 [a]	0.17
TEONG TECK LEAN	124,315,352	2.20	2,073,696,872 [b]	36.76
LIEW HENG HENG	4,137,494	0.07	-	-
ADI ARMAN BIN ABU OSMAN	-	-	-	-
LIM CHEE SEONG	330,000	0.01	-	-
CHUA KHING SENG	-	-	-	-
LEE KAH HIN	716,753	0.01	-	-
LOW NGAI YUEN	-	-	-	-
LAI TAK LOI	-	-	-	-

Notes:-

[a] Deemed interested by virtue of: (i) the shareholdings of his spouse and children in Essem Capital Sdn Bhd and Essem Corporation Sdn Bhd (ii) his spouse and children's direct shareholdings in the Company, and (iii) his shares held by DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Bank of Singapore Limited.

[b] 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.

ANALYSIS OF SHAREHOLDINGS

as at 10 October 2019
cont'd

SUBSTANTIAL SHAREHOLDERS AS AT 10 OCTOBER 2019

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	**No. of Shares**	**% of Issued Capital**	**No. of Shares**	**% of Issued Capital**
TEONG TECK LEAN	124,315,352	2.20	2,073,696,872 [a]	36.76
GD EXPRESS HOLDINGS (M) SDN BHD	1,408,770,556	24.97	-	-
GD HOLDINGS INTERNATIONAL LIMITED	632,331,693	11.21	-	-
SINGAPORE POST LIMITED	655,106,119	11.61	-	-
SINGAPORE TELECOMMUNICATIONS LIMITED	-	-	655,106,119 [b]	11.61
TEMASEK HOLDINGS (PRIVATE) LIMITED	-	-	655,106,119 [b]	11.61
YAMATO ASIA PTE LTD	1,287,938,501	22.83	-	-
YAMATO HOLDINGS CO., LTD	-	-	1,278,938,501 [c]	22.83

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 held through Singapore Post Limited.

[c] Deemed interested by virtue of its substantial shareholding held through Yamato Asia Pte Ltd.

ANALYSIS OF WARRANTS-B HOLDINGS

as at 10 October 2019

Total number of Outstanding Warrants-B	:	706,030,568 Warrants-B
Issue Date	:	6 February 2015
Expiry date	:	11 February 2020
Exercise price per Warrant-B	:	RM0.3825

ANALYSIS OF WARRANTS-B HOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Warrants-B	% of Issued Warrants-B
1 – 99	133	7.37	7,003	0.00
100 – 1,000	511	28.33	175,057	0.03
1,001 – 10,000	489	27.11	2,212,616	0.31
10,001 – 100,000	473	26.22	18,750,664	2.66
100,001 – 35,301,528 [1]	195	10.81	235,695,732	33.38
35,301,529 and above [2]	3	0.16	449,189,496	63.62
TOTAL	**1,804**	**100.00**	**706,030,568**	**100.00**

Notes:-

[1] Less than 5% of issued Warrants-B.
[2] 5% and above of issued Warrants-B.

LIST OF TOP 30 WARRANTS-B HOLDERS

No.	Name of Warrants-B Holders	No. of Warrants-B	%
1.	GD EXPRESS HOLDINGS (M) SDN BHD	193,182,496	27.36
2.	GD EXPRESS HOLDINGS (M) SDN BHD	181,888,736	25.76
3.	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR BANK JULIUS BAER & CO LTD (SINGAPORE BCH)*	74,118,264	10.50
4.	AFFIN HWANG NOMINEES (ASING) SDN BHD *PHILLIP SECURITIES PTE LTD FOR LAU CHEN HONG*	19,530,820	2.77
5.	RHB NOMINEES (TEMPATAN) SDN BHD *KWOK NGUK MOOI*	17,628,200	2.50
6.	TEONG TECK LEAN	17,049,876	2.42
7.	AFFIN HWANG NOMINEES (ASING) SDN BHD *EXEMPT AN FOR DBS VICKERS SECURITIES (SINGAPORE) PTE LTD (CLIENTS)*	15,799,340	2.24

ANALYSIS OF WARRANTS-B HOLDINGS

as at 10 October 2019
cont'd

LIST OF TOP 30 WARRANTS-B HOLDERS *cont'd*

No.	Name of Warrants-B Holders	No. of Warrants-B	%
8.	DING MEI SIANG	13,505,016	1.91
9.	GD HOLDINGS INTERNATIONAL LIMITED	7,290,080	1.03
10.	AGNES CHAN WAI CHING	7,037,844	1.00
11.	UOB KAY HIAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)*	6,707,284	0.95
12.	LOI SIEW HOONG	6,557,800	0.93
13.	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (HONGKONG BRANCH)*	6,480,000	0.92
14.	KONG HWAI MING	6,025,432	0.85
15.	LAU WING TAT	5,987,800	0.85
16.	MILLENNIUM SECTOR SDN BHD	4,857,600	0.69
17.	TEE CHERN JYU	4,806,472	0.68
18.	UOBM NOMINEES (ASING) SDN BHD *UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR AURORA HOLDINGS PTE LTD*	4,200,000	0.60
19.	YEAP SOON HOOI	3,138,800	0.45
20.	CHEN SONG WIE	2,910,000	0.41
21.	GDEX FOUNDATION	2,904,412	0.41
22.	CHOW KOK YIN	2,644,500	0.38
23.	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)*	2,587,160	0.37
24.	CHAN MOON FOOK	2,349,120	0.33
25.	AFFIN HWANG NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR TANG TAI MOY*	2,282,124	0.32
26.	CHIN CHEE SUE	2,178,308	0.31
27.	PUBLIC INVEST NOMINEES (ASING) SDN BHD *EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)*	2,005,200	0.28
28.	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)*	1,623,200	0.23
29.	AFFIN HWANG NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR BEH HAN KHOON SAMUEL*	1,563,120	0.22
30.	AMSEC NOMINEES (TEMPATAN) SDN BHD *AMBANK (M) BERHAD FOR TEONG TECK LEAN (6186-1501)*	1,520,000	0.21
	TOTAL	**620,359,004**	**87.88**

ANALYSIS OF WARRANTS-B HOLDINGS

as at 10 October 2019
cont'd

DIRECTORS' WARRANTS-B HOLDINGS AS AT 10 OCTOBER 2019

Name of Directors	Direct Interest: No. of Warrants-B	Direct Interest: % of Issued Warrants-B	Indirect Interest: No. of Warrants-B	Indirect Interest: % of Issued Warrants-B
DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	-	-	-	-
TEONG TECK LEAN	18,569,876	2.63	459,383,988 [a]	65.07
LIEW HENG HENG	605,084	0.09	-	-
ADI ARMAN BIN ABU OSMAN	-	-	-	-
LIM CHEE SEONG	48,000	0.01	-	-
CHUA KHING SENG	-	-	-	-
LEE KAH HIN	-	-	-	-
LOW NGAI YUEN	-	-	-	-
LAI TAK LOI	-	-	-	-

Note:-

[a] Deemed interested by virtue of his interest held through GDEX Foundation, GD Express Holdings (M) Sdn Bhd and GD Holdings International Limited.

GROUP PROPERTY PARTICULARS

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

No.	Location of Property	Description/ Existing Use	Approximate Land Area (sq. ft.)	Tenure	Approximate Age of Building (years)	Net Book Value as at 30.06.2019 (RM)	Date of Revaluation
(1)	17, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan.	Corporate Head Office	108,629	99 years lease expiring 1 February 2058	60 years	17,550,122	-
(2)	19 - 21, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan.	Corporate Head Office and Distribution Hub	91,666	99 years lease expiring 13 August 2056	44 years	6,901,653	20 June 2008 and 30 June 2009
(3)	Sub-lots No. 1 - 4, 8½ Mile, Batu Kitang Road, 93250 Kuching, Sarawak.	Branch Office, Distribution Hub and Warehouse	26,886	60 years lease expiring 23 October 2076	3 years	5,251,445	-
(4)	Unit 41-18 Q Sentral, 2A Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.	Commercial Office rented as Investment Property	2,917	Freehold	4 years	3,800,000	30 June 2019
(5)	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.	Commercial Office rented as Investment Property	3,749	Freehold	10 years	2,725,000	30 June 2019
(6)	Lot No. 196803, Jalan Hala Jati 12, Kawasan Perindustrian Taman Meru, Off Jalan Jelapang 30020 Ipoh, Perak Darul Ridzwan.	Double Storey Factory Building	143,956	60 Year Lease expiring 21st June 2052	27 years	11,500,000	30 June 2019
(7)	Sub-lots No. 5 - 8, 8½ Mile, Batu Kitang Road, 93250 Kuching, Sarawak.	Branch Office, Distribution Hub and Warehouse	32,291	60 years lease expiring 23 October 2076	3 years	4,909,304	-

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of the Company will be held at Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Thursday, 5 December 2019 at 11.00 a.m. to transact the following businesses:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2019 together with the Directors' and Auditors' Reports thereon.

   Please refer to Explanatory Note 1

2. To approve the payment of a first and final single-tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 30 June 2019.

   Ordinary Resolution 1

3. To approve the payment of Directors' fees payable to the Independent Non-Executive Directors of the Company up to an aggregate amount of RM347,880.00 for the financial year ending 30 June 2020.

   Ordinary Resolution 2

4. To approve the payment of benefits payable to the Independent Non-Executive Directors of the Company up to an aggregate amount of RM69,000.00 for the financial year ending 30 June 2020.

   Ordinary Resolution 3

5. 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 4**
   (b) Encik Adi Arman bin Abu Osman **Ordinary Resolution 5**

6. To re-elect the following Directors who retire pursuant to Clause 103 of the Constitution of the Company:-

   (a) Ms Low Ngai Yuen **Ordinary Resolution 6**
   (b) Mr Lai Tak Loi **Ordinary Resolution 7**

7. To re-appoint Messrs Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

   Ordinary Resolution 8

NOTICE OF ANNUAL GENERAL MEETING
cont'd

As Special Business

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

8. **Retention of Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid as Independent Non-Executive Director**

"**THAT** Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution 9

9. **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

10. **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 30 October 2019, 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,

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

11. **Proposed Grant of Authority to the Company to Purchase its own Ordinary Shares ("Proposed Share Buy-Back")**

"**THAT** subject to the Companies Act, 2016 ("**Act**"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements and any other relevant authority or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to make purchases of the Company's shares 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, necessary and expedient in the interest of the Company, provided that:

(a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten percent (10%) of the total issued shares of the Company at any point in time of the said purchase(s);

(b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of purchase; and

NOTICE OF ANNUAL GENERAL MEETING
cont'd

(c) the authority conferred by this resolution shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, 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 ordinary resolution passed by the shareholders in 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).

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

(a) cancel all the ordinary shares so purchased; and/or

(b) retain the ordinary shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or

(c) retain part thereof as treasury shares and cancel the remainder.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the said Directors may deem fit and expedient in the best interests of the Company."

Ordinary Resolution 12

12. 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 ANNUAL GENERAL MEETING
cont'd

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT the final single-tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 30 June 2019, if approved by the shareholders at the Sixteenth Annual General Meeting, will be paid on 21 February 2020 to Depositors whose names appear in Record of Depositors at the close of business on 23 January 2020.

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

(a) Shares transferred into the Depositor's Securities Account on or before 4.00 p.m. on 23 January 2020 in respect of ordinary transfers; and

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

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
Company Secretaries

Selangor Darul Ehsan
Date: 30 October 2019

Notes:

1. *A proxy may but need not be a member.*

2. *To be valid, this form, duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).*

3. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

4. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.*

5. *If the appointor is a corporation, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*

6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 29 November 2019 (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 behalf.*

NOTICE OF ANNUAL GENERAL MEETING
cont'd

7. *Ms Liew Heng Heng, after having served on the Board of the Company as an Independent Non-Executive Director with a cumulative term of more than 12 years, has expressed her intention not to seek retention as an Independent Non-Executive Director of the Company for shareholders' approval at the forthcoming 16th AGM.*

EXPLANATORY NOTES:-

1. ***Item 1 of the Agenda***

   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 3 of the Agenda***

   Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

   The proposed Ordinary Resolution 2, if passed, will facilitate the payment of proposed Directors' fees of RM347,880.00 for the financial year ending 30 June 2020 to the Independent Non-Executive Directors.

3. ***Item 4 of the Agenda***

   The proposed benefits of RM69,000,00 for the financial year ending 30 June 2020 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 AGM for the shortfall.

4. ***Item 5 of the Agenda***

   Clause 96 of the Company's Constitution provides that 1/3 of the Directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once in every 3 years but shall be eligible for re-election.

   Mr Teong Teck Lean and Encik Adi Arman bin Abu Osman, being eligible, have offered themselves for re-election at the 16th AGM. Please refer to the profiles of Mr Teong Teck Lean and Encik Adi Arman bin Abu Osman as set out on pages 26 and 27 of the Annual Report 2019.

5. ***Item 6 of the Agenda***

   Clause 103 of the Company's Constitution provides that any Director appointed, either to fill a casual vacancy or as an addition to the existing Board of Directors, shall hold office only until the next following AGM and shall be eligible for re-election but shall not be taken into account in determining the Directors or the number of Directors to retire by rotation at such meeting.

   Ms Low Ngai Yuen and Mr Lai Tak Loi who were appointed on 1 November 2018 and 1 October 2019 respectively have offered themselves for re-election at the 16th AGM. Please refer to the profiles of Ms Low Ngai Yuen and Mr Lai Tak Loi as set out on pages 28 and 29 of the Annual Report 2019.

6. ***Item 7 of the Agenda***

   The auditors of the Company must be re-appointed at each AGM. The Proposed Ordinary Resolution 8 proposes the re-appointment of Messrs Deloitte PLT, to hold office until the conclusion of the next AGM.

   The Audit and Risk Management Committee at its meeting held on 8 October 2019 had undertaken an annual assessment of the suitability and effectiveness of the audit process, performance, suitability and independence of Messrs Deloitte PLT.

NOTICE OF ANNUAL GENERAL MEETING
cont'd

7. ***Item 8 of the Agenda***

Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid ("Dato' Capt. Ahmad Sufian") was appointed as an Independent Non-Executive Director on 8 February 2005. Dato' Capt. Ahmad Sufian has served the Company for more than 12 years as at the date of the notice of this AGM. The Board of Directors ("Board") has via the Combined Nomination and Remuneration Committee conducted an evaluation on Dato' Capt. Ahmad Sufian who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years and is satisfied that Dato' Capt. Ahmad Sufian is able to exercise independent judgement and act in the best interest of the Company. The Board recommends Dato' Capt. Ahmad Sufian to remain as Independent Non-Executive Director of the Company based on the following justifications:-

a. *He fulfilled the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and therefore is able to bring independent and objective judgment to the Board.*
b. *He has contributed sufficient time and effort and attended all the Committee meetings and Board meetings.*
c. *The length of his service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interests of the Company.*
d. *As he has been with the Company for more than 12 years, he therefore understands the Company's business operations which enable him to participate actively and contribute during deliberations or discussions at Committee meetings and Board meetings without compromising his independence and objective judgement.*

At the last annual general meeting held on 6 December 2018, the shareholders of the Company had approved the retention of Dato' Capt. Ahmad Sufian as an Independent Non-Executive Director of the Company.

The proposed Ordinary Resolution 9, if passed, will allow Dato' Capt. Ahmad Sufian to continue to act as Independent Non-Executive Director of the Company.

8. ***Item 9 of the Agenda***

The Company had, at its Fifteenth AGM held on 6 December 2018, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 75 and Section 76 of the Companies Act 2016 ("the Act"). As at the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

Ordinary Resolution 10 proposed under item 9 of the Agenda 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 AGM.

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.

9. ***Item 10 of the Agenda***

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 30 October 2019 for further information.

NOTICE OF ANNUAL GENERAL MEETING
cont'd

10. ***Item 11 of the Agenda***

The proposed Ordinary Resolution 12, if passed, will allow the Directors of the Company to exercise the power of the Company to purchase the Company's shares not more than 10% of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities. 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 AGM of the Company.

Please refer to the Statement to Shareholders dated 30 October 2019 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.*

GD EXPRESS

GD EXPRESS CARRIER BHD (630579-A)
(Incorporated in Malaysia)

PROXY FORM

No. of shares held	
CDS Account No.	

*I/We, ______________________________ (Full Name in Block Letters),

NRIC No./Passport No./Company No. ______________ of ______________________________

______________________________ (Address) and Telephone No./Email Address ______________________________

being a member/members of GD Express Carrier Bhd hereby appoint ______________________________

(NRIC/PassportNo. ______________) of ______________ or failing *him/her ______________

______________________________ (NRIC/Passport No. ______________) of ______________

____

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 Sixteenth Annual General Meeting of the Company to be held at Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Thursday, 5 December 2019 at 11.00 a.m. and at any adjournment thereof.

*I/We indicate with an "x" in the spaces below how *I/We wish *my/our vote to be cast.

ITEM	AGENDA		FOR	AGAINST
1.	First and final single-tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 30 June 2019	Ordinary Resolution 1		
2.	Approval of Directors' fees payable to the Independent Non-Executive Directors of the Company of up to an aggregate amount of RM347,880.00 for the financial year ending 30 June 2020	Ordinary Resolution 2		
3.	Approval of benefits payable to the Independent Non-Executive Directors of the Company of up to an aggregate amount of RM69,000.00 for the financial year ending 30 June 2020	Ordinary Resolution 3		
4.	Re-election of Mr Teong Teck Lean as Director	Ordinary Resolution 4		
5.	Re-election of Encik Adi Arman bin Abu Osman as Director	Ordinary Resolution 5		
6.	Re-election of Ms Low Ngai Yuen as Director	Ordinary Resolution 6		
7.	Re-election of Mr Lai Tak Loi as Director	Ordinary Resolution 7		
8.	Re-appointment of Auditors and to authorise the Directors to fix their remuneration	Ordinary Resolution 8		
9.	Retention of Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid as Independent Non-Executive Director	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 Share Buy-Back	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 ______________ 2019.

The proportion of *my/our shareholdings to be represented by the proxies are as follows:	
First Proxy	%
Second Proxy	%
	100%

____
Signature/Common Seal

Fold This Flap For Sealing

Fold along this line (1)

Please Affix Stamp

The Company Secretary
GD EXPRESS CARRIER BHD (630579-A)
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Fold along this line (2)

Notes:

1. *A proxy may but need not be a member.*
2. *To be valid, this form, duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).*
3. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
4. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.*
5. *If the appointor is a corporation, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 29 November 2019 (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 behalf.*

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 set out in the Notice of Annual General Meeting dated 30 October 2019.

OUR STATIONS

Headquarters (PJ)
03-7787 2222

Ajil
09-682 6271

Alor Gajah
06-556 4440

Alor Setar
04-734 9636

Ayer Hitam
04-826 2091

Ampang
03-4280 1415

Bahau
06-454 0295

Bandar Chiku
09-928 4035

Bangi
03-8922 2184

Banting
03-3180 1601

Batu Pahat
07-435 2533

Bayan Baru
04-645 6525

Benta
09-323 9453

Bentong
09-223 5099

Bukit Beruntung
03-6021 3634

Bukit Mertajam
04-540 4480

Bukit Pasir
06-985 9852

Bukit Rahman Putra
03-6157 2106

Butterworth
04-313 2471

Cheras
03-9281 6951

Damansara Perdana
03-7722 3400

Gemas
07-948 1266

Gemencheh
06-431 9420

Gerik
019-689 1690

Gua Musang
09-912 6622

Gurun
019-315 8755

Ipoh
05-545 0596

Jerantut
09-266 2708

Jerteh
09-697 2737

Jitra
04-714 0403

Johor Bahru
07-333 5578

Kajang
03-8737 0988

Kampar
05-465 9448

Kemaman
09-858 1780

Kepong
03-6259 6220

Keratong
09-445 7433

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
019-774 4499

Kuala Krai
09-966 3546

Kuala Lipis
010-911 0785

Kuala Selangor
03-3289 4727

Kuala Terengganu
09-620 3006

Kuantan
09-568 9033

Kulim
04-410 1481

Langkawi
04-961 0960

Machang
09-975 1160

Malim Jaya
06-334 0131

Maran
09-477 1573

Melaka
06-281 8033

Melawati
03-6187 3059

Melor
09-783 2110

Mentakab
09-290 2159

Merlimau
06-263 9359

Mersing
017-755 0917

Muadzam Shah
09-452 5888

Muar
06-953 9337

Nilai
06-797 1780

Paka
08-827 1313

Palong
07-948 2253

Parit Buntar
05-716 9429

Pasir Gudang
07-252 0025

Pasir Mas
09-719 2513

Pekan
09-422 2012

Penang
04-227 9358

Perlis
016-223 1775

Pontian
07-686 1430

Port Dickson
06-651 6532

Port Klang
03-3323 6063

Puchong
03-8060 0964

Pulau Ketam
019-349 1777

Rawang
03-6091 5662

Saujana Utama
012-312 2952

Segamat
07-932 8033

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

Sg. Petani
04-421 5580

Shah Alam
03-5548 7413

Sitiawan
05-691 0372

Skudai
07-511 1288

Subang Jaya
03-5631 0688

Sungai Besar
03-3224 1278

Sungai Besi
03-9221 0193

Sungai Koyan
012-961 6056

Sungai Buloh
03-7734 0172

Taiping
05-829 3358

Tampin
06-441 0304

Tangkak
012-783 4330

Tanjung Malim
05-459 9210

Teluk Intan
05-623 4635

Triang
010-917 1373

Tun Hussein Onn
03-8964 4547

Ulu Tiram
07-863 2533

Wangsa Maju
03-4142 0192

Yong Peng/Paloh
012-701 2719

EAST MALAYSIA

Beaufort
019-851 1775

Keningau
087-330 589

Kota Belud
088-977 126

Kota Kinabalu
088-259 953

Kota Marudu
016-829 3868

Kudat
088-611 490

Kunak
089-851 197

Lahad Datu
089-885 770

Ranau
019-802 2788

Sandakan
089-222 475

Tawau
089-769 348

SARAWAK

Batu Niah
011-1851 6666

Bau
014-695 8777

Bekenu
016-873 2399

Belawai
019-891 4319

Betong
083-472 337

Bintangor
084-693 497

Bintulu
086-318 871

Dalat
019-821 9772

Daro
084-823 331

Kanowit
084-752 899

Kapit
013-560 9977

Kuching
082-620 220

Kuching (Lodge-in)
082-232 306

Lawas
085-285 369

Limbang
010-977 7005

Lundu
012-847 9573

Marudi
010-538 2226

Miri
085-434 148

Mukah
084-872 808

Saratok
083-436 450

Sarikei
019-886 8480

Serian
016-888 2828

Sibu
084-335 075

Song
011-1984 7281

Sri Aman
083-324 752

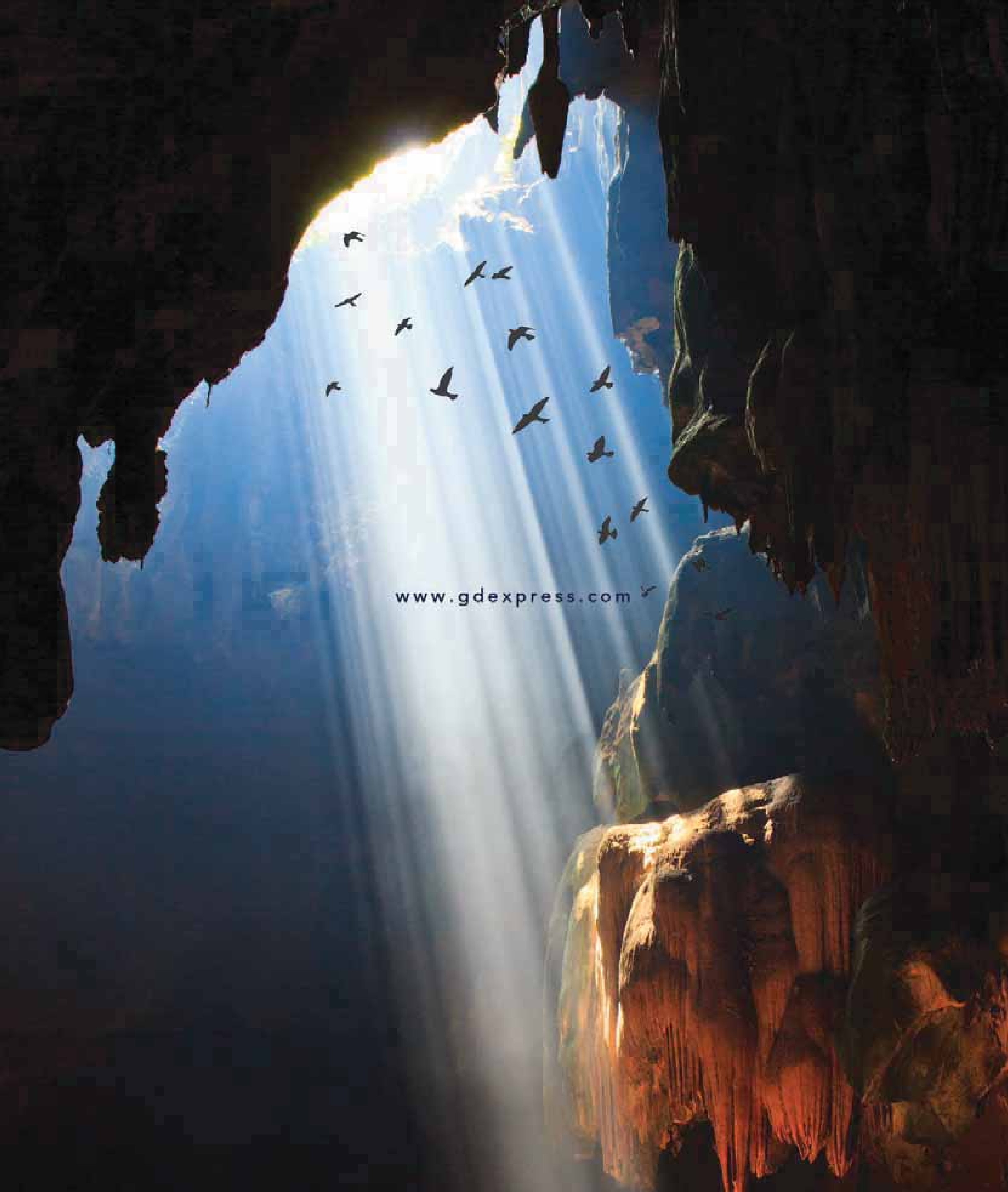
Tatau
011-1525 9963

LABUAN

Labuan
087-425 880

SINGAPORE

Singapore
65-6396 5539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