

CORPORATE GOVERNANCE REPORT

STOCK CODE : GDEX
COMPANY NAME : GDEX Berhad
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of GDEX Berhad plays its governance's role by setting the corporate goals and strategies for the Group and its businesses. In doing so, the Board provides leadership and direction through effective delegation, review and oversight to ensure that sufficient resources are available to accomplish its goals and long-term sustainability.</p> <p>The Company is led and managed by an experienced Board. Through the leadership of the Chairman, the Board sets the Company's strategic goals and oversees its implementation to ensure that obligations to its shareholders and stakeholders are met. The Executive Directors are responsible for making and implementing the operational and corporate decisions while the Independent Non-Executive Directors ensure corporate accountability by providing unbiased and independent views, advice and judgment and challenging the Management's assumptions and projections in safeguarding the interests of shareholders and other stakeholders. The Board delegates the implementation of its strategies to the Management of the Group and the Company. However, the Board remains ultimately responsible for corporate governance and affairs of the Group and the Company.</p> <p>The Group has clear reporting lines and authority limits govern its approval process including a clear organisation structure. The matters of strategic, business, acquisitions and capital investment plans are discussed and deliberated by the Executive Committee of the Company prior to appropriate recommendations are being made to the Board for review and approval. The Board is also supported by two (2) Board Committees namely Audit and Risk Management Committee and Combined Nomination and Remuneration Committee. Each Board Committee operates under a clear written terms of reference which sets out the members' role, responsibilities, structure and processes necessary to carry out their duties effectively and efficiently.</p>

	<p>In carrying out its duties and responsibilities and providing strategic guidance for the Group, a Board Charter has been developed and adopted by the Board with a formal schedule of matters reserved for its deliberation and decision making. The Board Charter will be reviewed by the Board from time to time to ensure that it continues to reflect the spirit of all applicable laws and regulations and the Company's commitment to its staff, community, shareholders and stakeholders.</p>	
Explanation for departure	: N/A	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	: N/A	
Timeframe	: N/A	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	: Applied
Explanation on application of the practice	<p>The Chairman is responsible for instilling, good corporate governance practices, leadership and effectiveness of the Board.</p> <p>Tan Sri Muhammad bin Ibrahim ("Tan Sri Muhammad"), who is the current Chairman of the Board provides strong leadership and is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. He actively seek opinions of the Board members and allows dissenting views to be freely expressed during the Board Meetings.</p> <p>Being the former Governor of Bank Negara Malaysia, Tan Sri Muhammad brings his knowledge, experience and visionary thinking to the Board.</p> <p>As the Chairman of the Board, Tan Sri Muhammad is responsible for leading the Board and focusing it on strategic matters, overseeing the Group's business and setting high governance standards as well as being the Chair of the Board.</p> <p>The Chairman shall have the following responsibilities:-</p> <ul style="list-style-type: none">• ensuring all Directors are adequately informed about Board matters in a timely manner to facilitate rigorous, effective and accurate decision making in all business of the Board;• guiding the meetings to facilitate open discussion and managing the conduct of, and frequency and length of such meetings, in order to provide the Board with an opportunity to arrive at a detailed understanding of the Company's performance, financial position, operations and challenges and each Director is fully participating in meetings;• liaising with the Company Secretary concerning matters of compliance, companies act, corporate governance;• encouraging engagement and compliance by Board members with their duties as Directors; and• engaging with shareholders of the Company to ensure that their views and concerns are known by the Board. <p>The detailed roles and responsibilities of the Chairman are set out in the Board Charter which is available on the Company's website at www.gdexpress.com.</p>

Explanation for departure	: N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: N/A
Timeframe	: N/A

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's Chairman and the Managing Director/Group Chief Executive Officer are held by two (2) different individuals with clear distinct and separate functions. This is to ensure that there is an appropriate balance of power, accountability, decision-making in the Company.</p> <p>Tan Sri Muhammad is currently the Chairman of the Board. He is responsible for the leadership of the Board and ensuring its overall effectiveness on all aspect of its role.</p> <p>Mr Teong Teck Lean ("Mr Teong"), who serves as the Managing Director/Group Chief Executive Officer of the Company, is responsible for the running of the Company's day-to-day operations and implementation of Board's decisions in line with the strategy and objectives approved by the Board as well as making decisions in matters affecting the Group's operations and businesses, with the exception of those matters reserved for the Board and Board Committees. Mr Teong is assisted by Management and supported by two (2) Executive Directors, a Chief Operating Officer and a Chief Strategy Officer in implementing of board decisions.</p> <p>The respective roles and responsibilities of the Chairman and the Managing Director/Group Chief Executive Officer are clearly articulated in the Board Charter which is available on the Company's website at www.gdexpress.com.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A
Timeframe	:	N/A

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	As at 31 December 2021, Tan Sri Muhammad Bin Ibrahim (" Tan Sri Muhammad ") is the Chairman of the Board and is also a member of the Audit and Risk Management Committee (" ARMC ") and Combined Nomination and Remuneration Committee (" CNRC ").
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	In line with the Malaysian Code on Corporate Governance, Tan Sri Muhammad resigned as a member of the ARMC and CNRC on 21 February 2022.
Timeframe	:	Immediate

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The principal role of the Company Secretaries is to support the Board and the Board of the Company is supported by two (2) professionally qualified and competent Company Secretaries from Boardroom Corporate Services Sdn Bhd. Both the Company Secretaries have the requisite knowledge and experience and are the members of The Malaysian Institute of Chartered Secretaries and Administrators. They play a crucial role in the governance and compliance of the Company and to make the Directors aware of any law relevant to or affecting them and the Company.</p> <p>The Directors have full and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries on Directors' responsibilities, new or revised statutory and regulatory requirements as well as corporate governance best practices. In this respect, the Company Secretaries play an advisory role to the Board, particularly with regard to the Company's Constitution, Board Policies and procedures, compliance with regulatory requirements and advocate adoption of corporate governance best practices.</p> <p>Besides the induction and orientation programmes for new Directors, the Company Secretary will assist in arranging and co-ordinating internal training programmes that are relevant to the Directors.</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	N/A
Timeframe	:	N/A

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied	
Explanation on application of the practice	:	In order for the Board to meet its objectives, formal notices, agendas, minutes together with appropriate meeting materials for Board and Committees meetings will be provided to the Directors and at least seven (7) days before the meeting to allow the Directors to have sufficient time to review the materials for effective discussions and decision making during the meetings. All proceedings and pertinent issues discussed at the Board and Committees meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries. The minutes will then be circulated to the members of the Board or Committee for their comments.	
Explanation for departure	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	N/A	
Timeframe	:	N/A	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company’s website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Board Charter which clearly sets out the respective roles, functions and processes of the Board, individual Directors, Board Committees and Management. In addition, the Board Charter also sets out a list of matters that are specifically reserved for the Board’s approval.</p> <p>The key matters reserved for the Board includes approval of corporate strategic plans and capital budgets, material acquisitions and disposals of undertakings and properties, quarterly and annual financial statements for announcement, monitoring of operating performance and review of Limits of Authority.</p> <p>The Board Charter and Terms of References of Board Committees are periodically reviewed and updated from time to time in accordance with the needs of the Company and any new / revised regulations that may have an impact on the discharge of the Board’s responsibilities.</p> <p>The Board Charter is available on the Company’s website at www.gdexpress.com.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A
Timeframe	:	N/A

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised and adopted the Code of Ethics and Conduct for Directors and Key Officers ("the Code") to enhance the standard of corporate governance and to establish a standard of ethical behaviour for Directors and Key Officers of the Group based on the Company's core values and management principles.</p> <p>The Code also serves as the ground rules for management behavior, as well as guide the Board on manner in which it should act when deciding unanticipated situations. It also provides mechanisms to report unethical conduct and help foster a culture of honesty and accountability.</p> <p>The Code is regularly reviewed and updated to ensure its comprehensiveness and a copy of the Code is available on the Company's website at www.gdexpress.com.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A
Timeframe	:	N/A

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>Whistleblowing Policy plays an essential role in the ethics codes of any organisation. As part of governance regulations, the Company had established the Whistle Blowing Governance Unit to implement the Whistleblowing Policy and Procedures in the Company and its group of companies. The Whistleblowing Policy and Procedures provide a guidance for the employees/stakeholders to disclose information about malpractice or wrongdoing within the Group that has taken place or likely to occur.</p> <p>Matters of which should be reported under the Whistleblowing Policy are:</p> <ul style="list-style-type: none">• Non-compliance to laws and regulations• financial malpractice• misuse of funds or assets• deliberately or accidentally steal, damage or misuse the data stored with the computer systems• discrimination• danger to public or employee health and safety• suspected fraud or criminal activity• corruption, bribery or blackmail• breach of confidentiality• breach of Code of Ethics or Conduct or non-compliance with the policies and procedures• sexual assault or sexual harassment• concealment of any of the above malpractice <p>The Whistleblowing Policy and the relevant procedures were aligned with the requirements set out in Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) with came into effect from 1 June 2020, Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to anti-corruption measures and the ISO 37001:2016 Anti-Bribery Management System. A copy of the Whistleblowing Policy and Procedures is available on the Company's website at www.gdexpress.com.</p>

Explanation for departure	: N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: N/A
Timeframe	: N/A

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board plays a vital role in ensuring that the Group embeds sustainability goals as part of the business strategy to build business resilience, sustained outcomes, enhance value to our stakeholders and a positive impact in society.</p> <p>The role of Senior Management is also critical in integrating sustainability considerations in the day-to-day operations of the Group and ensuring the effective implementation of the Group's sustainability strategies and plans.</p> <p>In its sustainability journey, the Company has formed a Sustainability Working Committee in July 2020 to look into Materiality Matrix, FTSE4G Scorecard and Environmental Sustainability and Governance Initiatives to reduce the environmental footprint and to accomplish other objectives of benefit to society. The Group Sustainability Policy, Strategy and Plan have been tabled by the senior management and approved by the Combined Nomination and Remuneration Committee in February 2022. In line with this, the Company has also mapped the 17 United Nations Sustainable Goals that best align with the Group's sustainability journey.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A

Timeframe	:	N/A	
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Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group has a good understanding and awareness of sustainability and has integrated sustainability risks and opportunities into business and strategy planning to support long term strategy and success.</p> <p>The shareholders have a right to material and timely information on the financial performance and viability of the companies in which they invest. The Company has reported on its activities and sustainability efforts undertaken by the Group in its sustainability statement.</p> <p>The sustainability policy of the Company been developed to manage the sustainability issues in the Group and business’ commitment towards all areas of sustainability.</p>	
Explanation for departure	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	N/A	
Timeframe	:	N/A	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board believes that well-managed companies will deal effectively with sustainability issues relevant to their businesses.</p> <p>Given the increased understanding of material sustainability risks and opportunities and the need for better information to assess the potential impacts of climate related risks on the Company’s business model, the Board supports sustainable investments and continued improvement in companies’ reporting, where necessary.</p>	
Explanation for departure	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	N/A	
Timeframe	:	N/A	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>Performance evaluations of the Board and Senior Management is conducted on an annual basis. The evaluation includes evaluation of the sustainability risks and opportunities and in setting the Company's sustainability strategies, priorities and targets.</p> <p>The performance evaluation allows the Board and Senior Management to understand the importance of identifying and managing sustainability issues that are relevant to the Company and its business as part of their duties.</p> <p>The Combined Nomination and Remuneration Committee ("CNRC") has a formal and transparent procedure for the appointment of new Directors to the Board. When assessing new appointments to the Board, the CNRC meticulously reviews the combined skills, independence, knowledge and experience of the existing Board members to determine the required characteristics and profile of the new Director.</p> <p>Besides carrying out reference checks, the candidate is interviewed as part of the assessment process. Consideration is given to ensure appointees have sufficient time to devote to the role, ability to discharge responsibilities and that the balance of skills, knowledge and experience on the Board will be maintained and enriched. If the candidate is qualified, CNRC will make recommendation to the Board for deliberation. The Board upon the recommendation of the CNRC, evaluates and decides on the appointment of the proposed candidate to the Board.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A

Timeframe	:	N/A	
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Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Not Adopted
Explanation on adoption of the practice	:	N/A

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has undertaken a formal and objective annual evaluation of the effectiveness of Board and Board Committees, the performance of individual Directors, Board composition against a matrix of desired competencies and the independence of Directors. The assessment took into account the contribution and performance of the Directors in relation to their competencies, time commitment, experience in meeting the needs of the Company.</p> <p>The Board engages the Company Secretaries from an independent external secretarial firm to conduct the Board evaluation by way of evaluation forms (i.e. self and peer assessments). The evaluation forms are completed by each director annually. Upon completion of the assessments, the evaluation forms will be submitted to the Company Secretary for tabulation and the results will be presented to the Combined Nomination and Remuneration Committee together with agreed action plans to address the gaps/areas for improvement, if any, for deliberation and onward submission to the Board.</p> <p>For Board review, the Chairman of the Combined Nomination and Remuneration Committee will lead in a discussion and will discuss and assess the extent to which the Board, Committees and individual directors have met each performance criterion.</p> <p>Based on the annual Board performance assessment carried out this year, the Board is satisfied with the current composition, diversity and size of the Board. The Board is also satisfied with the effectiveness of the Board, Board Committees and individual Directors, who have the requisite knowledge, skills and range of experiences to discharge their duties and responsibilities effectively.</p> <p>In accordance with the Company's Constitution, one-third (1/3) or the number nearest to one-third (1/3) shall retire from office at each Annual General Meeting ("AGM"). A retiring Director is eligible for re-appointment. Directors shall retire from office at least once every three (3) years but shall be eligible for re-election at the AGM. Any new or additional Director appointed by the Board during the year to fill a casual vacancy or as an addition shall hold office only until the next</p>

	<p>AGM and shall then be eligible for re-election. The election of each Director is voted separately.</p> <p>The Combined Nomination and Remuneration Committee will recommend to the Board for the Board's recommendation to the shareholders for the re-election of a Director at the AGM.</p>	
Explanation for departure	: N/A	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	: N/A	
Timeframe	: N/A	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As at 31 December 2021, the Board has ten (10) members, comprising:</p> <ol style="list-style-type: none">(1) An Independent Non-Executive Chairman;(2) A Managing Director/Group Chief Executive Officer;(3) Two (2) Executive Directors;(4) Two (2) Non-Independent Non-Executive Directors; and(5) Four (4) Independent Non-Executive Directors. <p>A brief profile of each Director is disclosed in the Annual Report of the Company.</p> <p>The present composition of the Board has complied with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which requires that at least two (2) Directors or one-third (1/3) of the Board members of the Company, whichever is higher, are independent. The Board will take the appropriate steps to work towards applying Practice 5.2.</p> <p>The presence of five (5) Independent Directors including Independent Non-Executive Chairman on the Board implies the balance of interests of the minority shareholders and other stakeholders. Besides this, their collective views carry significant weight in the Board's deliberation and decision-making process. Due to their perceived distance from the Company, they act as a balancing element in boardroom discussions between different shareholder representatives and managing conflicts of interest affecting board members.</p> <p>Even though Independent Directors constitute only 5 members of the entire Board and met the criteria for independence as set forth in Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the present composition of the Board represents a broad range of experience, skills, knowledge, competence, expertise and experience. The Board believes that its members have the necessary knowledge and skills to discharge their duties and responsibilities effectively. Further, there are robust deliberations during Board and Committee meetings as they ask constructive questions or request for more information, where necessary. The Independent Directors are the members of the</p>

	<p>Board who do not form part of the executive management team but they bring external perspectives to the Board decisions through their diverse backgrounds and experiences, enabling them to place the necessary checks and balances, contributing to decision-making of the Board. Each director will act in the best interests of the Company and its shareholders and must exercise his or her business judgment. An effective Board requires its members to have a range and variety of relevant attributes which complement each other.</p> <p>The Company will maintain its current structure of the Board for the time being.</p> <p>The Board shall periodically review its size and composition through the Combined Nomination and Remuneration Committee to ensure that the number of members most effectively supports the need of the Company and facilitates effective decision making.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	<p>The Board will be working towards to have a majority of Independent Directors whilst maintaining an appropriately size and skilled Board. The Board must also be satisfied that the Independent Directors are not affiliated with the Company and have no other direct or indirect interest or relationship that could reasonably influence their judgment and decision-making. There is a need for the Board to examine its size and the impact of the number. The Board should be of sufficient size and the Board size should not be so large as to be unwieldy.</p>
<p>Timeframe</p>	<p>:</p>	<p>This will be reviewed on annual basis in its effort towards the application of Practice 5.2.</p>

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	<p>As at 31 December 2021, there are no independent directors have served more than nine (9) years. Encik Adi Arman Bin Abu Osman who was appointed to the Board on 3 July 2013 had resigned as the Independent Non-Executive Directors of the Company on 1 January 2022 after serving the Board for more than eight (8) years.</p> <p>The Company's Board Charter states that the tenure of an Independent Director should not exceed nine (9) years. If the Board intends to retain an independent director beyond nine (9) years, it shall justify and seek annual shareholders' approval. If the Board continues to retain the independent director after the 12th-year, the Board shall seek annual shareholders' approval through a two-tier voting process.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A
Timeframe	:	N/A

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	N/A

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The current composition of the Board reflects a sufficient mix of individuals with relevant knowledge, independence, competence, industry experience and diversity of perspectives to generate effective challenge, discussion, objective decision-making and effective governance. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance as well as to support the attainment of its strategic objectives.</p> <p>The Board has adopted a policy on appropriate diversity within the Board and Senior Management. The Board is committed to provide fair and equal opportunities and to nurture diversity (including gender, age and ethnicity, educational background, professional experience, skills, knowledge and length of service) within the Group. The candidates for Board appointments will be considered, taking into account, a range of diversity perspectives, including gender, cultural, competency, skills, character, time commitment, integrity and experience that the selected candidates will bring to the Board.</p> <p>All Board appointments will be based on meritocracy in the context of skills and experience ensuring the Board as a whole required to be effective.</p> <p>The Board's Combined Nomination and Remuneration Committee reviews and assesses the Board composition on behalf of the Board and recommends the appointment of new Directors. The candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.</p> <p>In evaluating the suitability of individual Board members and senior management, the Board takes into account several factors, including appropriateness of Board size, independence, range of directors' qualifications, knowledge, skills and experience, and level of commitment available to fulfil Board responsibilities, background, character, integrity and competence before making its</p>

	<p>recommendation to the Board. The Board is mindful of the importance of gender, age and ethnic diversity in the composition of the Board.</p> <p>A copy of the Diversity Policy is available on the Company's website at www.gdexpress.com.</p>	
Explanation for departure	: N/A	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	: N/A	
Timeframe	: N/A	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the Combined Nomination and Remuneration Committee (“CNRC”) is responsible for overseeing the screening and recruitment process and for making recommendations for new director candidates. In recruiting and evaluating new director candidates, the Combined Nomination and Remuneration Committee shall assess a candidate’s independence, as well as the candidate’s background, education and experience, current board skill needs and diversity that are relevant to the Company’s business.</p> <p>The Board had utilized independent sources which include recommendation from the Company Secretary to identify qualified candidates in addition to the recommendation from the Director, Management or Shareholder of the Company for its assessment before recommending to the Board based on criteria set.</p> <p>For the financial year 2021, the Board had appointed Dato’ Azman Bin Mahmud (“Dato’ Azman”) as an additional Independent Director to the Board. The CNRC had invited Dato’ Azman, the former Chief Executive Officer of The Malaysian Investment Development Authority (MIDA) who was recommended by Mr Teong Teck Lean, for an interview. Dato’ Azman has held various positions across many divisions within the organisation. He has been instrumental in building Malaysia’s business ecosystems, facilitating industrial development and promoting investments in line with the country’s National investment Aspirations (NIA). The CNRC concluded that Dato’ Azman was the suitable candidate and recommended him to the Board for approval.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:	N/A	
Timeframe	:	N/A	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied	
Explanation on application of the practice	:	There is no appointment or reappointment of Director at the Annual General Meeting for the financial year under review. If there is any appointment or reappointment of Director, the Board will provide sufficient information to the shareholders for the shareholders to make an informed decision.	
Explanation for departure	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	N/A	
Timeframe	:	N/A	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	<p>As at 31 December 2021, the Chairman of the Company's CNRC is Encik Adi Arman Bin Abu Osman ("Encik Adi"), an Independent Non-Executive Director of the Company. The role of Encik Adi as an Independent Director is accountable to the Board, shareholders and other stakeholders. He exercises his objective judgement independently in carrying out his responsibilities.</p> <p>Being the Chairman of the CNRC, he shall report to the Board after each meeting on all matters within its scope of duties and responsibilities and shall make whatever recommendations to the Board for approval, he deems appropriate where action or improvement is needed.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A
Timeframe	:	N/A

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of gender diversity and recognises the recommendation of the Malaysian Code on Corporate Governance to have at least 30% of the Board with women.</p> <p>The selection of suitable female candidates to join the Board will be dependent on their skills, knowledge and experience. The ultimate decision to appoint female candidates will be based on merit and contribution that the chosen candidate will bring to the Board.</p> <p>For the financial period ended 31 December 2021, there are two (2) female directors on the Board.</p> <p>With the appointment of Puan Nuraini Binti Ismail as the Independent Non-Executive Director of the Board with effect from 1 January 2022, the Company has achieved 30% women directors.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A
Timeframe	:	N/A

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied																							
Explanation on application of the practice	:	<p>The Board recognises gender diversity at the boardroom and in its senior management as an essential component of good corporate governance. The Board has a policy of strictly adhering to the practice of non-discrimination in any form, whether based on race, age, religion and gender throughout the organisation, which includes the selection of Board members. The Board Diversity Policy is available on the Company's website at www.gdexpress.com.</p> <p>Composition by Gender</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Board Level</th> <th>%</th> <th>Senior Management</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>8</td> <td>80</td> <td>3</td> <td>75</td> </tr> <tr> <td>Female</td> <td>2</td> <td>20</td> <td>1</td> <td>25</td> </tr> <tr> <td>Total</td> <td>10</td> <td>100</td> <td>4</td> <td>100</td> </tr> </tbody> </table> <p>The disclosure on gender diversity of the Group is set out in the Corporate Governance Overview Statement of the Annual Report.</p>				Gender	Board Level	%	Senior Management	%	Male	8	80	3	75	Female	2	20	1	25	Total	10	100	4	100
Gender	Board Level	%	Senior Management	%																					
Male	8	80	3	75																					
Female	2	20	1	25																					
Total	10	100	4	100																					
Explanation for departure	:	N/A																							
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																									
Measure	:	N/A																							
Timeframe	:	N/A																							

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board has undertaken a formal and objective annual evaluation of the effectiveness of Board and Board Committees, the performance of individual Directors, Board composition against a matrix of desired competencies and the independence of Directors. The assessment took into account the contribution and performance of the Directors in relation to their competencies, time commitment, experience in meeting the needs of the Company.</p> <p>The Board engages the Company Secretaries from an independent external secretarial firm to conduct the Board evaluation by way of evaluation forms (i.e. self and peer assessments). The evaluation forms are completed by each director annually. Upon completion of the assessments, the evaluation forms will be submitted to the Company Secretary for tabulation and the results will be presented to the Combined Nomination and Remuneration Committee together with agreed action plans to address the gaps/areas for improvement, if any, for deliberation and onward submission to the Board.</p> <p>For Board review, the Chairman of the Combined Nomination and Remuneration Committee will lead in a discussion and will discuss and assess the extent to which the Board, Committees and individual directors have met each performance criterion.</p> <p>Based on the annual Board performance assessment carried out this year, the Board is satisfied with the current composition, diversity and size of the Board. The Board is also satisfied with the effectiveness of the Board, Board Committees and individual Directors, who have the requisite knowledge, skills and range of experiences to discharge their duties and responsibilities effectively.</p>
Explanation for departure	: N/A

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A
Timeframe	:	N/A

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has put in place the Directors' Assessment and Remuneration Policy to determine the level of remuneration package of Managing Director/Group Chief Executive Director, Executive Directors and Senior Management to ensure that the Company is able to attract, develop and retain high performing and motivated Executive Directors and Senior Management with a competitive remuneration and they are paid a remuneration commensurate with the responsibilities of their position.</p> <p>The Senior Management are those "C" level Key Officers namely, Chief Executive Officer, Chief Financial Officer, Chief Investment Officer, Chief Operating Officer, Chief Information Officer and others who carries the title and senior position of "C", if any.</p> <p>The Company's Combined Nomination and Remuneration Committee will assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations to the Board on the Company's remuneration framework for Directors and Senior Management.</p> <p>The remuneration of Senior Management is based on performance, experience, expertise, skills and industry benchmarks.</p> <p>The Directors' Assessment and Remuneration Policy is available on the Company's website at www.gdexpress.com.</p>
Explanation for departure	:	N/A

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:	N/A	
Timeframe	:	N/A	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Remuneration Committee with formally delegated duties and responsibilities and with written Terms of Reference. The Remuneration Committee of the Company is combined with the Nomination Committee and known as "Combined Nomination and Remuneration Committee". The role of Combined Nomination and Remuneration Committee is to assist the Board in developing and administering a fair and transparent procedure for setting the remuneration of Directors and Senior Management in order to attract and retain Directors and Senior Management who will create value for shareholders.</p> <p>As at 31 December 2021, the Combined Nomination and Remuneration Committee comprises the following members, all of whom are Independent Non-Executive Directors:</p> <p>Chairman: Encik Adi Arman Bin Abu Osman</p> <p>Members: Tan Sri Muhammad Bin Ibrahim Ms Low Ngai Yuen Ms Chua Put Moy</p> <p>The Chairman of the Combined Nomination and Remuneration Committee will report to the full Board and the minutes of their meetings will be circulated to all Board members.</p> <p>The Terms of Reference of the Combined Nomination and Remuneration Committee which defines the duties, authority and composition of the Combined Nomination and Remuneration Committee will be reviewed from time to time and revise as needed.</p>

	A copy of the Terms of Reference of the Combined Nomination and Remuneration Committee is available on the Company's website at www.gdexpress.com .	
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A
Timeframe	:	N/A

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The Board ensures that information relating to Directors' remuneration is made transparent to all shareholders. The breakdown of individual Directors' remuneration for the financial period ended 31 December 2021 are disclosed as follows:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Azman Bin Mahmud (Appointed on 1 June 2021)	Independent Non-Executive Director	45.5	-	-	-	-	2.4	47.9	45.5	-	-	-	-	2.4	47.9
2	Hiroshi Etani (Appointed on 1 April 2021)	Non-Independent Non-Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Adi Arman Bin Abu Osman (Resigned on 1 January 2022)	Independent Non-Executive Director	115	-	-	-	-	17.2	132.2	115	-	-	-	-	17.2	132.2
4	Low Ngai Yuen (f)	Independent Non-Executive Director	115	-	-	-	-	16.6	131.6	115	-	-	-	-	16.6	131.6
5	Lai Tak Loi (Resigned on 10 February 2022)	Non-Independent Non-Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Chua Put Moy (f)	Independent Non-Executive Director	115	-	-	-	-	16.8	131.8	115	-	-	-	-	16.8	131.8
7	Tan Sri Muhammad Bin Ibrahim	Independent Non-	115	-	-	-	-	104.15	219.15	115	-	-	-	-	104.15	219.15

		Executive Director														
8	Teong Teck Lean	Executive Director	-	113.4	400.2	25.3	-	27.6	566.5	-	113.4	400.2	25.3	-	27.6	566.5
9	Lim Chee Seong	Executive Director	-	85.6	416.4	25.6	-	53.3	580.9	-	85.6	416.4	25.6	-	53.3	580.9
10	Lee Kah Hin (Appointed as Chief Investment Officer on 1 December 2019)	Executive Director	-	107.0	344.6	21.4	-	44.5	517.5	-	107.0	344.6	21.4	-	44.5	517.5

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
Explanation on application of the practice	:	<p>The remuneration of the Senior Management is the Key Officers who falls under the category of C-level executives. These C-level Key Officers of the Company are the Managing Director/Group Chief Executive Officer, Executive Directors, Chief Operating Officer and Chief Strategy Officer.</p> <p>The remuneration of Managing Director/Group Chief Executive Officer and Executive Directors have been disclosed on a named basis in the Corporate Governance Report of the Company for financial period ended 31 December 2021.</p> <p>The remuneration of Senior Management commensurate with their individual performance, taking into consideration of the Group's performance and their position.</p> <p>The remuneration package accorded to the Chief Operating Officer (“COO”) and Chief Strategy Officer (“CSO”) of the Company is disclosed as follows:</p>	
Explanation for departure	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	N/A	
Timeframe	:	N/A	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Chong Hui Chuen (f)	Chief Operating Officer ("COO")	300,001-350,000	Choose an item.	Choose an item.	0-50,000	50,001-100,000	400,001-450,000
2	Teoh Cho Min	Chief Strategy Officer ("CSO")	50,001-100,000	Choose an item.	Choose an item.	0-50,000	0-50,000	50,001-100,000
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Adopted
Explanation on adoption of the practice	:	The remuneration of each Senior Management has been disclosed on a named basis in the Corporate Governance Report of the Company.

No	Name	Position	Company ('000)					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1	Input info here							
2	Input info here							
3	Input info here							
4	Input info here							
5								
6								
7								

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Board recognises the important role of the Audit Committee as part of the corporate governance processes. In this regard, the Board has established an Audit Committee which is combined with Risk Management Committee to oversee the Company's financial reporting as well as the risk management process as delegated by the Board. As at 31 December 2021, the Audit and Risk Management Committee comprises four (4) members, all of whom are Independent Non-Executive Directors.	
Explanation for departure	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	N/A	
Timeframe	:	N/A	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>As at 31 December 2021, the Audit and Risk Management Committee does not have any former key audit partner appointed as a member of the Audit and Risk Management Committee.</p> <p>The Terms of Reference of the Audit and Risk Management Committee provides that a former key audit partner shall observe a cooling period of at least three (3) years before being appointed as a member of the Audit and Risk Management Committee.</p> <p>The Terms of Reference of the Audit and Risk Management Committee is available on the Company's website at www.gdexpress.com.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A
Timeframe	:	N/A

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Risk Management Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the Company's external auditor in terms of their knowledge, competence, objectivity, independence, the quality of the audit and the provision of non-audit services. Where non-audit services are provided by the external auditor, the Audit and Risk Management Committee should monitor the provision of such services to ensure that their performance does not impair the external auditor's objectivity and independence.</p> <p>The Audit and Risk Management Committee has formalised the External Auditors Assessment Policy which outlines the guidelines and procedures to review and assess the suitability, objectivity and independence of the external auditor.</p> <p>The Audit and Risk Management Committee has conducted an annual assessment of the performance and independence of Messrs. Deloitte PLT's qualifications, expertise, resources and their effectiveness as external auditor this year. The Audit and Risk Management Committee concluded that Messrs. Deloitte PLT is able to maintain their professionalism and effective in their role. The external audit function provided by Messrs. Deloitte PLT is independent and objective in both fact and appearance.</p> <p>After taking into account all above factors, the Audit and Risk Management Committee recommended to the Board the re-appointment of Messrs. Deloitte PLT for shareholders' approval at the forthcoming Annual General Meeting.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:	N/A	
Timeframe	:	N/A	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>It is essential that the Audit and Risk Management Committee is chaired by independent non-executive director and include a sufficient number of independent non-executive directors.</p> <p>As at 31 December 2021, the Company's Audit and Risk Management Committee comprises the following members, all of whom are Independent Non-Executive Directors:</p> <p>Chairperson: Ms Chua Put Moy</p> <p>Members: Tan Sri Muhammad Bin Ibrahim Encik Adi Arman bin Abu Osman Ms Low Ngai Yuen</p> <p>This enables the Audit and Risk Management Committee to exercise their independent judgement objectively in the best interest of the Company.</p>

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Risk Management Committee assists the Board in the effective discharge of its responsibilities in the areas of financial reporting, internal control and risk management systems and the internal and external audit functions.</p> <p>All the Audit and Risk Management Committee members have the relevant financial knowledge and commercial expertise and skills required to discharge their roles and responsibilities effectively.</p> <p>The members of Audit and Risk Management Committee attend the relevant seminars and training courses to keep abreast of the current technical developments and accounting issues and concerns.</p> <p>The Audit and Risk Management Committee ensures that the financial reports of the Company and the Group comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act 2016 so as to give a true and fair view of the financial position.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A
Timeframe	:	N/A

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>Risk management and internal control are integral part of enterprise risk management. The Board is primarily responsible for establishing and maintaining a sound risk management and internal control systems in the Group as well as reviewing its adequacy and integrity.</p> <p>The Company's Audit and Risk Management Committee is delegated by the Board with responsibilities to oversee the Group's overall risk management and internal control framework and to advise the Board on risk-related matters. The Audit and Risk Management Committee, on behalf of the Board, reviews the effectiveness of the internal control system by reviewing the work and findings of the internal auditors and the Group's external auditor, and regular reports from Management in respect of risk management and internal controls. The Board has reviewed the adequacy and effectiveness of the Group's risk management and internal control systems through the Audit and Risk Management Committee. Divisions and Departments assess effectiveness of existing controls, provide treatment plans where required, and monitor risk mitigating activities.</p> <p>During the financial year, based on the identified material matters arising from internal and external engagements. The Audit and Risk Management Committee has approved the proposed integration framework to integrate the identified sustainability risks associated with the material matters into the enterprise risk management framework accordingly. After such integration, the key business risks (including bribery and corruption, sustainability and etc.) is now being subjected to the internal auditors' regular assessment and tracking in terms of their profile and risk response actions plan respectively.</p> <p>The Board adopts the ISO 31000:2018 Risk Management standard closely to assess and review its current and potential business risks.</p> <p>Details of the Group's risk management and internal control system are disclosed in the Statement on Risk Management and Internal Control contained in the 2021 Annual Report of the Company.</p>

Explanation for departure	: N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	: N/A	
Timeframe	: N/A	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has the overall responsibility for managing the risks and ensuring implementation of the effective/appropriate internal control systems to manage the risks of the Group. A sound system of internal control contributes to safeguarding the shareholders' investment and the Company's assets.</p> <p>To manage each risk, the Management has been tasked to identify and assess the risks faced by the Group and to put in place effective control measures to control/mitigate the risks. These processes are regularly reviewed by the Board through the Audit and Risk Management Committee who reviews the adequacy and effectiveness of the system of risk management and internal control framework.</p> <p>The Risk Management and Audit Department ("RIAD") of the Group is responsible to perform regular risk profile reviews and internal audit works per the risk based audit plan. The RIAD provides independent assurance to the Board regarding adequacy and effectiveness of the Group's risk management and internal control system. The RIAD's work covers all material controls, such as financial, operational, IT and compliance. External auditors evaluate internal controls as part of their audit planning process.</p> <p>Key features of its risk management framework and internal control framework are disclosed in the Statement on Risk Management and Internal Control contained in the 2021 Annual Report.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A

Timeframe	:	N/A	
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Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>GDEX has a Risk Management Committee which is combined with Audit Committee and known as "Audit and Risk Management Committee" since year 2017.</p> <p>As at 31 December 2021, the Company's Audit and Risk Management Committee comprises the following members, all of whom are Independent Non-Executive Directors:</p> <p>Chairperson: Ms Chua Put Moy</p> <p>Members: Tan Sri Muhammad Bin Ibrahim Encik Adi Arman bin Abu Osman Ms Low Ngai Yuen</p> <p>This enables the Audit and Risk Management Committee to exercise their independent judgement objectively to oversee the company's risk management framework and policies.</p>

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's internal audit function has been performed in-house and it reports directly to the Audit and Risk Management Committee. The internal audit function provides the Audit and Risk Management Committee with an independent assessment on the adequacy and effectiveness of the Group's system of internal control.</p> <p>The Internal Audit Charter approved by the Audit and Risk Management Committee and the Board sets out the internal audit's scope, role, objective, accountability, authority, independence and responsibility within the Group.</p> <p>The three (3) years internal audit plan is prepared by the Manager, Risk Management and Audit following consultation with Senior Management and is based on a comprehensive review and analysis of the organisation's business activities and associated risks. The plan is approved by the Audit and Risk Management Committee. Audit reports and recommended actions will be tabled and discussed at the Audit and Risk Management Committee meetings.</p> <p>The Audit and Risk Management Committee is responsible for assessing the Internal Audit function annually to ensure that it has the competence, independence, resources and corporate support to do its job properly and independently.</p> <p>The Audit and Risk Management Committee Report contained in the 2021 Annual Report of the Company provides detailed explanation on internal audit function.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A

Timeframe	:	N/A	
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Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The RIAD comprises 5 professional staff and is led by Mr Chow Kim Wai (the Manager, Risk Management and Audit).</p> <p>Mr Chow has more than 20 years of working experience in internal audit and risk management. He is also professional members of some reputable professional bodies like Malaysian Institute of Accountant, CPA, Australia and Institute of Internal Auditors Malaysia.</p> <p>The internal audit personnel are free from any relationships or conflict of interest, which could impair their objectivity and independence.</p> <p>The Internal Audit Function of the Group is carried out closely align to the International Professional Practices Framework (IPPF-Standards and Guidance by The Institute of Internal Auditors (Global) and International Standards for the Professional Practice of Internal Auditing (Institute of Internal Auditors Malaysia).</p> <p>The Audit and Risk Management Committee Report contained in the 2021 Annual Report of the Company provides detailed explanation on internal audit function.</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	N/A
Timeframe	:	N/A

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>It has always been the Company's practice to maintain good relationship with its shareholders. Major corporate developments and activities in the Company have always been duly and promptly announced to all shareholders, in line with Bursa Malaysia Securities Berhad's objectives of ensuring transparency and good corporate governance practices.</p> <p>The Company's website has a section dedicated to shareholders under Investor Relations that provides shareholders with detailed information on the Group's business, financial performance and latest developments and corporate announcements.</p> <p>During the Annual General Meeting, the shareholders of the Company have the opportunities to enquire and comment on the Company's performance and operations.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A
Timeframe	:	N/A

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company has yet to adopt an integrated reporting framework. The Board acknowledged that integrated reporting goes beyond a mere combination of a financial statements and sustainability report into a single document.	
		Nevertheless, there are coordinated efforts among cross-functional departments in preparing the various statements and reports in the Annual Report.	
		The Company will consider adopting integrated reporting if the Directors decide that benefits of the adoption outweigh the cost.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board will look into the integrated reporting based on a globally recognised framework.	
Timeframe	:	Three years	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	The Notice of Annual General Meeting and the related papers are sent to shareholders at least 28 days before the date of the meeting to allow shareholders time to read the Annual Report and papers supporting the proposed resolutions.	
Explanation for departure	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	N/A	
Timeframe	:	N/A	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is committed to promoting effective and open communication with shareholders. The use of Annual General Meeting serves as a platform for the Chairman and Directors to meet with shareholders, to hear their views and to answer their questions. Besides this, the Executive Directors and Senior Management are also available to meet with shareholders and investors.</p> <p>All Directors including the Chair of the Audit and Risk Management Committee and Combined Nomination and Remuneration Committee attended the last Annual General Meeting held on 3 December 2020.</p> <p>All shareholders of the Company are entitled to attend Annual General Meeting in person or represented by a proxy. The Company encouraged the shareholders to ask questions at the Company's Annual General Meeting with responses given to their questions.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A
Timeframe	:	N/A

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had leveraged technology to facilitate voting including voting in absentia and remote shareholders' participation at the 17th AGM. The Company's 17th AGM held on 3 December 2020 was conducted on a fully virtual basis through the online meeting platform provided by Boardroom Share Registrars Sdn Bhd, in compliance with Section 327 of the Companies Act 2016.</p> <p>All the resolutions set forth in the Notice of the 17th AGM were conducted by way of electronic polling. Once the vote casting process completed, the independent scrutineer, GovernAce Advisory & Solutions Sdn Bhd. verified the results and passed the results to the Chairman of the meeting for announcement to the members of the meeting.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	N/A
Timeframe	:	N/A

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The Chairman views the engagements among the Board, senior management and shareholders in earnest. Shareholders are eligible to pose questions including but not limited to financial and non-financial performances, and long-term strategies of the Group. The Company received questions from the shareholders/proxy holders during the 17th AGM and the Board had provided meaningful response to every question. The questions raised by the shareholders/proxy holders and responded by the Board were minuted and the minutes of the 17th AGM is available online on the Company's website at www.gdexpress.com .
Explanation for departure	: N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: N/A
Timeframe	: N/A

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: In the Company's 17th AGM held virtually on 3 December 2020, the shareholders and proxy holders had submitted their questions prior to the meeting. Besides that, shareholders and proxy holders can pose questions to the Board via real time submission of typed texts at meeting platform during live streaming of the AGM. The Chairman of the Meeting read out the questions by the shareholders before the Board provides its response to the questions. The Company had opted for Boardroom Smart Investor Portal to conduct the 17th AGM virtually as it is a well-tested and secure application and has sufficient hardware and infrastructure in place.
Explanation for departure	: N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: N/A
Timeframe	: N/A

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 17th AGM was made available at the Company's website at www.gdexpress.com no later than 30 business days after the completion of the AGM.
Explanation for departure	: N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: N/A
Timeframe	: N/A

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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