



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

UNLEASHING POTENTIAL BEYOND LIMITS




20²³
Annual Report

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UNLEASHING POTENTIAL, BEYOND LIMITS



At GDEX, our story goes beyond express delivery, with our transformation into the GDEX2.0 era driven by our people, who continuously redefine possibilities and embrace innovation. As trusted partners to companies on their growth journey, we provide comprehensive supply-chain solutions that enhance their competitive edge and business sustainability.

Our innovation-driven ecosystem empowers companies to thrive, supported by industry-leading capabilities for business expansion, operational optimisation, and supply chain efficiency. GDEX offers an increasing suite of solutions, including reliable logistics, e-commerce enablement, proactive retailing and payment facilitation, with best-in-class cybersecurity.

We turn synergies into sustainable growth through partnerships with leading solutions providers, nurturing collaboration across business divisions within our organisation. GDEX is continuously unleashing its potential beyond limits.

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI MUHAMMAD BIN IBRAHIM
Independent Non-Executive Chairman

TEONG TECK LEAN
*Managing Director/
Group Chief Executive Officer*

LIM CHEE SEONG
*Executive Director/
Chief Financial Officer*

CHUA PUT MOY
Independent Non-Executive Director

LOW NGAI YUEN
Independent Non-Executive Director

DATO' AZMAN BIN MAHMUD
Independent Non-Executive Director

NURAINI BINTI ISMAIL
Independent Non-Executive Director

YIK YEN SHAN, VINCENT
*Non-Independent Non-Executive
Director*

YUJI NASHIMOTO
*Non-Independent Non-Executive
Director
(Appointed on 1 February 2024)*

TEONG TSANG WHON
*Alternate Director to Teong Teck Lean
(Appointed on 1 January 2024)*

TEOH CHO MIN
*Alternate Director to Lim Chee Seong
(Appointed on 1 January 2024)*

HIROSHI ETANI
*Non-Independent Non-Executive
Director
(Resigned on 1 February 2024)*

LEE KAH HIN
*Executive Director/
Chief Investment Officer
(Resigned on 25 February 2024)*

AUDIT AND RISK MANAGEMENT COMMITTEE

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

COMBINED NOMINATION AND REMUNERATION COMMITTEE

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

COMPANY SECRETARIES

Chin Wai Yi
(*MAICSA 7069783*)
SSM Practicing Certificate
No. 202008004409
Chia Siew Li
(*MAICSA 7075719*)
SSM Practicing Certificate
No. 202208000715

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Chartered Accountants (*AF 0080*)
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Email : office@gapadvisory.my

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Email : helpdesk@gdexpress.com

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50400 Kuala Lumpur
Wilayah Persekutuan
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Fax : (603) 2181 0516
Website : www.gapadvisory.my
Email : office@gapadvisory.my

PRINCIPAL BANKER

Malayan Banking Berhad
Registration No.: 196001000142 (3813-K)

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK NAME AND CODE

GDEX : 0078

WARRANT NAME AND CODE

GDEX-WC : 0078WC

UNLEASHING POTENTIAL

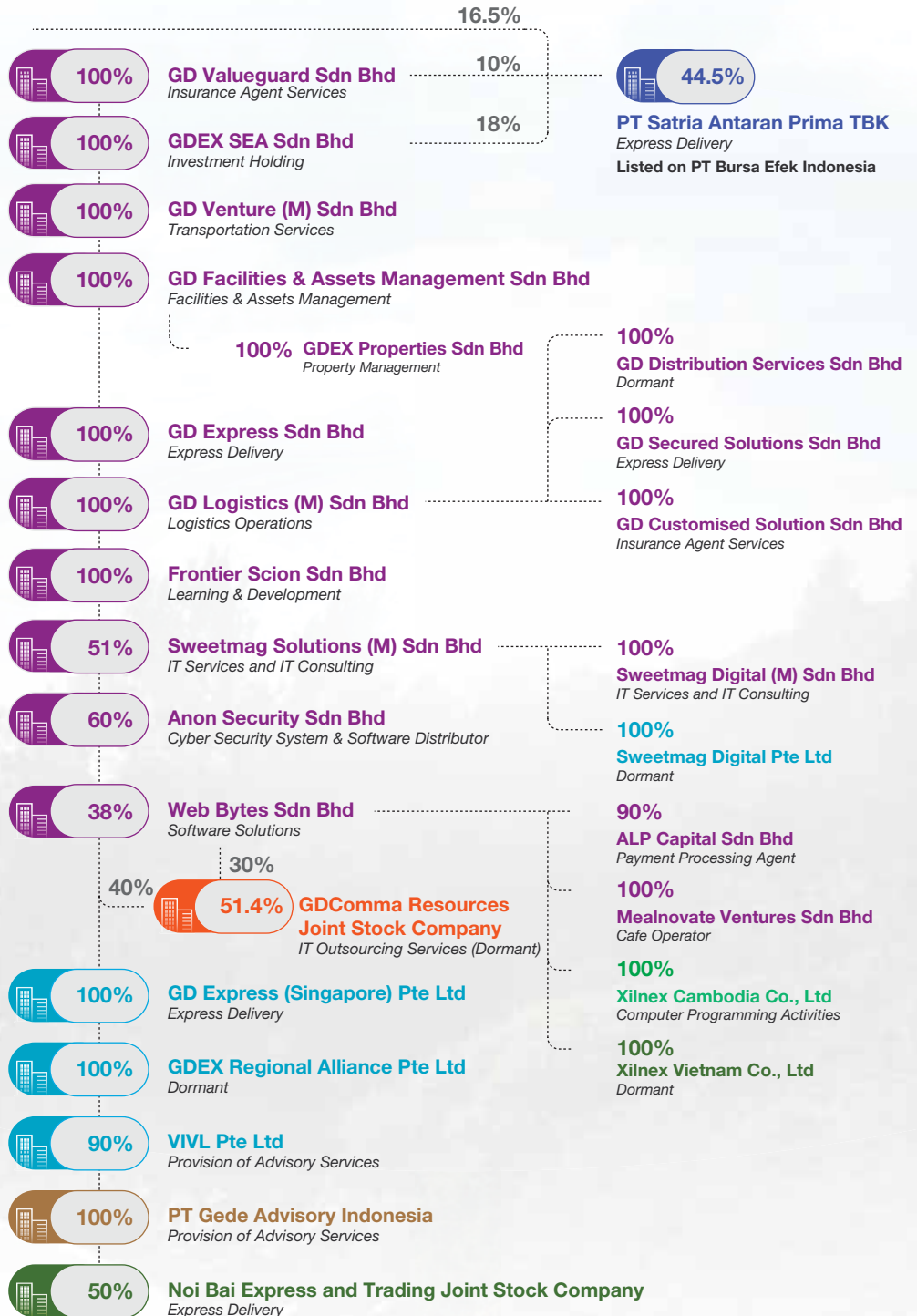
GROUP STRUCTURE



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

INVESTMENT HOLDING
Listed on
Main Market of Bursa
Malaysia Securities
Berhad

- Malaysia Subsidiary Companies
- Singapore Subsidiary Companies
- Indonesia Subsidiary Company
- Vietnam Subsidiary Company
- Cambodia Subsidiary Company
- Indonesia Associate Company
- Vietnam Associate Company



BEYOND LIMITS

CHAIRMAN'S STATEMENT

DEAR ESTEEMED SHAREHOLDERS,

Amidst global economic turbulence and geopolitical uncertainties, the Malaysian economy demonstrated resilience, achieving a growth rate of 3.7% in 2023, fueled by robust domestic demand and sustained improvements in employment and wages.

The Group's performance in the financial year ended 31 December 2023 continued to face headwinds due to various factors, including changing consumer preferences and behaviours, as consumers returned to physical retail activities, resulting in declining online business transactions. Consequently, demand for logistics and warehousing services, particularly e-commerce orders, was impacted.

The Malaysian courier industry faced challenges from unfair competition by foreign players employing dumping tactics to lower prices – something the regulatory authorities need to manage to ensure a fair playing field. We are hopeful and maintain a positive outlook for an eventual resolution to this issue as the Malaysian Communications and Multimedia Commission actively explores measures to regulate courier base costs to ensure an even and fair operating environment for industry players. We are hopeful that the relevant authorities will formulate a national blueprint for the courier and logistics industry in Malaysia. Given that this industry forms a vital structure and an integral component of an open economy such as Malaysia, a national blueprint would go a long way to energise and support domestic courier and logistics companies to become regional champions, thus creating employment, good paying jobs, and wealth for the industry.

The courier industry continues to face higher labour and operational expenses, compounded by supply chain disruptions due to shipping delays triggered by events at the Red Sea. These challenges had significantly impacted our operational efficiency and financial performance, necessitating innovative agility to navigate the complexities of the operating environment.

Despite the obstacles encountered during the year, the Group remains unwavering in our commitment to achieving long-term growth and profits. Equipped and strengthened with our transformative GDEX 2.0 strategy and a robust business network spanning four major Southeast Asian markets, we are poised to overcome current and future challenges, to capitalise on business opportunities.

**TAN SRI MUHAMMAD
BIN IBRAHIM**

CHAIRMAN

CHAIRMAN'S STATEMENT

cont'd



CHAIRMAN'S STATEMENT cont'd



UNLEASHING POTENTIAL: EXECUTION

As we drive GDEX towards sustainable growth and profitability, we will harness our assets, technological prowess, and cross-border connectivity towards realising our full business potential. To achieve this, we cultivate an innovation-centric culture among our people and emphasise cross-collaboration across all business units to foster synergy and enhance performance.

The Group is committed to continuing an innovative business model that improves our existing strengths in express delivery and logistics services. Through a regional platform-based ecosystem, we will realise the growth potential and sustainability of businesses through international expansion, operational efficiency, and supply chain management. This transformative journey will be progressively realised through technology-driven platforms and solutions, as part of the GDEX 2.0 strategy.

Leveraging our regional presence in Southeast Asia; spanning Malaysia, Indonesia, Vietnam, and Singapore, we facilitate seamless market connectivity for businesses to drive accelerated growth and resilience. Our strategic footprint in these countries positions us as a crucial supply chain bridge, enabling us to connect various regional stakeholders and capitalise on emerging opportunities effectively.

Additionally, GDEX is accelerating the talent enhancement of our people as we adapt to technological advancements within the framework of Industrial Revolution 4.0 ("IR 4.0"). Our modern GDEX Auto Hub in Petaling Jaya is a tangible representation of our commitment to IR 4.0 and the future-proofing of our operational infrastructure.



2024 OUTLOOK: POISED FOR GROWTH

In 2024, GDEX is poised for growth, enabled by our portfolio of technology subsidiaries that enhance our capabilities and expedite our transformation. We are fully equipped to offer businesses a highly robust suite of integrated supply chain solutions, including logistics, e-commerce, and payment enablement, as well as cybersecurity. GDEX remains committed to cultivating and expanding our tech capabilities through more significant partnerships with leading industry players, ensuring that we meet the evolving needs of businesses in the digital era.

CHAIRMAN'S STATEMENT

cont'd



Despite prevailing global economic uncertainties driven by geopolitical tensions and soaring inflation rates, a positive economic trajectory is anticipated for Malaysia and Southeast Asia. This optimism is underpinned by sustained growth in domestic demand and substantial foreign direct investment inflows into the region.



This favourable economic outlook augurs well for GDEX's operations, including our Vietnamese subsidiary, Noi Bai Express and Trading Joint Stock Company ("NETCO"), and Indonesian associate company, PT Satria Antarana Prima TBK ("SAPX"). Furthermore, the anticipated growth in domestic demand is poised to fuel increased demand for express delivery and warehousing services, presenting greater opportunities for GDEX to thrive.

ACCOLADES AND APPRECIATION

GDEX was recognised with the "Best in Future of Trust" award at the 7th IDC Future Enterprise Awards in Singapore 2023. GDEX's implementation of AI-driven, cutting-edge cybersecurity solutions has bolstered the group's network defences, establishing a new benchmark in trust and reliability.

On behalf of the Board and senior management of GDEX, I would like to convey our appreciation to all frontliners, affectionately known as "Abang-adik GDEX", the backbone of the Group, who tirelessly work day and night to meet customers' needs. I would also like to thank the GDEX management for their strategic leadership in navigating this challenging environment — our appreciation also goes to our shareholders and business partners for their support and commitment to GDEX.

I would like to thank Mr Hiroshi Etani for his contribution throughout the duration of his tenure on the Board. Mr Etani resigned from his position as Non-Independent Non-Executive Director on 1 February 2024, following the reorganisation of Yamato Group. At the same time, I have the pleasure of welcoming Mr Yuji Nashimoto, who was appointed as Non-Independent Non-Executive Director on 1 February 2024.

On behalf of the Board, I would also like to place on record our appreciation to Mr Lee Kah Hin, who has resigned from the Board on 25 February 2024, for his contributions in the past as Executive Director.

Tan Sri Muhammad Bin Ibrahim
Chairman



At the heart of GDEX, we recognise that true strength and innovation arise with the transformative power of People and Teamwork. Our teams are not merely collections of skills; they are vibrant ecosystems where collaboration is the heartbeat of innovation. We unlock a collective potential that transcends individual limitations as we align our efforts towards common goals. In celebrating our people, we discover that our potential knows no bounds and we elevate our aspirations to unprecedented heights. Together, we embark on a journey where the synergy of diverse talents propels us beyond perceived limits, unlocking new realms of achievement and success.





UNLEASHING POTENTIAL BEYOND LIMITS



GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

GDEX has demonstrated unwavering adaptability and resilience in the face of challenging business conditions during the financial year ended 31 December 2023 ("FY2023").

As we embark on a journey towards renewed growth, strategic transformation remains at the forefront of our agenda. GDEX is undergoing a fundamental evolution, transitioning beyond our trusted expertise in express delivery to emerge as a comprehensive integrated supply chain solutions provider, serving a diverse clientele of regional enterprises.

Our strategic initiatives also encompass optimising costs, enhancing operational efficiency, and pioneering unique digital solutions. The theme of our transformative journey, Unleashing Potential: Beyond Limits, underscores the vast untapped capabilities within our organisation. We are committed to fostering a strong innovative culture, empowering our talent through continuous upskilling, and forming strategic partnerships and alliances to capitalise on this potential.

The tangible outcomes of our transformation efforts are evident in the establishment of a robust network of technology-driven subsidiaries. This network enables us to rapidly address the evolving demands of global businesses and positions the Group for sustainable growth. Our unwavering commitment to agility ensures that we can promptly adapt to the dynamic needs of our clients in an ever-changing business landscape.

EXPRESS DELIVERY AND LOGISTICS: OUR CORE SEGMENTS

Express delivery remains the core of GDEX's operations, facilitated by a formidable network of over 4,340 points across Malaysia. GDEX has become a prominent express delivery brand, enabling last-mile delivery for a wide range of businesses, and playing a vital role in the country's economy. GDEX's success can be attributed to its roots in process engineering.

Despite our market-leading capabilities, the performance of our express delivery segment in FY2023 was impacted by predatory pricing from industry participants and inflationary pressures. We continue to collaborate closely with key stakeholders such as the Malaysian Communications and Multimedia Commission and the Malaysia Competition Commission, to mitigate these challenges and cultivate a more conducive operating environment.

Meanwhile, our logistics segment, which provides logistics and warehouse fulfillment services to various high-profile clients, faced challenges of increased warehouse maintenance costs and slower client demand amid weaker business sentiment.

Despite these challenges, we continue to enhance our operations through technological advancements, positioning us for long term sustainability. The inauguration of our state-of-the-art GDEX Auto Hub in Petaling Jaya in May 2023 further fortified our express delivery segment. To decrease turnaround times and lower the possibility of shipment damage, the sorting facility has tripled our sorting capacity to 350,000 shipments per day, and feature intelligent sorting equipment with 99.99% sorting accuracy.

TEONG TECK LEAN

**MANAGING DIRECTOR AND
GROUP CHIEF EXECUTIVE OFFICER**

GROUP **CHIEF EXECUTIVE OFFICER'S STATEMENT**

cont'd



GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

cont'd



INFORMATION TECHNOLOGY: KEY TO FUTURE GROWTH

In line with our digital transformation initiatives, we have designated information technology (“IT”) as our fourth business segment in FY2023. Through strategic initiatives under GDEX 2.0, our investments in innovative IT companies enable us to build a synergistic supply chain ecosystem, leveraging technology to enhance operational efficiency and deliver value-added solutions to businesses.



Despite initial investments and associated operating costs, our IT segment is positioned for long-term growth, driven by increasing demand for technology-based solutions. Our expanding portfolio of services include cloud-based smart retail solutions, cybersecurity solutions, and bespoke e-commerce development - empowering businesses to thrive in the digital age.



Leveraging our track record of offering speed and reliability to businesses through tech-enabled last-mile delivery solutions, GDEX nurtures our IT investee companies to achieve greater operational productivity, resilience, and reduced redundancy on the back of our vast experience across multiple industries.



GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

cont'd

Our investee companies are making significant strides forward. Web Bytes Sdn Bhd (“Web Bytes”), a software development company dedicated to cloud-based smart retail solutions, successfully inaugurated its first tech experiential retail outlet, Wonders Café, providing companies with a firsthand immersive experience of the integrated solutions. Concurrently, Sweetmag Solutions (M) Sdn Bhd (“Sweetmag”), our e-commerce platform enabler, has entered into a collaboration with Shopify Plus to enhance cross-border e-commerce opportunities for our clients.

Collectively, our investee companies will enhance our overall offerings and enrich the GDEX 2.0 ecosystem. These transformative enhancements increase the visibility for GDEX as the preferred partner for integrated supply chain solutions, reinforcing our position as a leader in driving innovation and efficiency in the industry.



PREPARING FOR OUR NEXT CHAPTER



Looking ahead, GDEX is committed to equipping our workforce with the necessary skills and expertise to propel the Group into a new chapter of growth. We continue to invest in training programmes and establish partnerships with educational institutions to ensure that our employees are equipped with the latest skills and industry knowledge.

GDEX was one of the first industry players to establish a learning academy to train school leavers in Technical and Vocational Education and Training (“TVET”) programmes. The Group is working on providing more training and learning opportunities going forward by expanding the selection of courses and collaborating with tertiary institutions. In FY2023, we trained 5,584 employees and saw 91 employees completing their Level 3 Malaysian Skills Certificate (Sijil Kemahiran Malaysia), a certificate awarded by the Skills Development Department (JPK) of the Ministry of Human Resources.



GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT cont'd



In FY2023, the Group organised a Partner Appreciation Night 2023 to honour our associates, partners, and supporters. We thanked them for their dedication, commitment, and collaboration, as well as shared about the GDEX ecosystem of partners. Going forward, we anticipate even greater accomplishments with our valued partners.

Furthermore, in our commitment to environmental stewardship, we prioritise initiatives aimed at reducing our carbon footprint and promoting sustainable business practices. Initiatives such as the utilisation of solar energy and deployment of sustainable packaging represent our dedication to sustainability as we continuously seek new ways to improve.

Lastly, I would like to express my sincere gratitude to all GDEX employees for their commitment and diligent work. I extend my appreciation to our esteemed shareholders and business partners for their steadfast support. With our focus on innovation, operational excellence, and strategic partnerships, I am confident that GDEX's better days are on the horizon.

Teong Teck Lean
Managing Director and Group Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

GDEX Berhad (“GDEX” or “the Group”) has established itself as a premier express delivery service provider across multiple Southeast Asian markets. Beyond our core express delivery services, the Group is strategically evolving into a leading provider of comprehensive supply chain solutions, aimed at facilitating seamless connectivity and delivering tailored services to meet the diverse needs of businesses.

Committed to transformation and enhanced profitability, GDEX is actively integrating innovative technologies and nurturing strategic partnerships. By leveraging our core competencies and maximising the potential of our investee companies, GDEX is emerging as a significant enabler of growth for businesses throughout the region.

FINANCIAL REVIEW

Income Statement

In the financial year ended 31 December 2023 (FY2023), GDEX reported total revenue of RM397.2 million, an increase of 3.6% from RM383.5 million in the previous year.

Notably, the revenue from information technology segment increased significantly to RM33.4 million as it captured full year revenue in 2023 as compared to partial revenue of RM13.7 million in 2022, driven by heightened contributions from smart retail systems, web and enterprise solutions, as well as cybersecurity software distribution following a series of acquisitions in 2022.

Meanwhile, the express delivery segment remained resilient, contributing the majority 86.4% or RM343.2 million of total FY2023 revenue, compared to 90.2% or RM346.0 million in the previous year. Despite facing challenges such as inflationary pressures, escalating manpower and operational costs, as well as intensified competition on the back of anti-competitive manoeuvres by foreign market players, the segment maintained its position.

Conversely, the logistics services segment experienced a 15.0% decline in revenue to RM19.4 million in FY2023, compared to RM22.9 million previously, attributed to lower online business activities among existing warehousing clients.

Altogether, the lower demand and stiff competition from aggressive pricing practices, impact of inflationary pressures, increased IT operating expenses, in addition to hub maintenance and operating costs led to a loss before tax of RM39.4 million for FY2023 versus a loss before tax of RM19.4 million in the financial year ended 31 December 2022 (FY2022). The Group recorded loss after tax and non-controlling interest of RM38.7 million in FY2023 compared to a loss after tax and non-controlling interest of RM15.3 million in FY2022.

The Group’s other segments contributed RM1.1 million in revenue in FY2023, up 25.1% from RM0.9 million in FY2022. The other segments include insurance agent services and dormant companies where its results are not significant to the Group.

While FY2023 showed revenue growth, the challenges encountered, particularly anti-competitive practices and higher operating expenses, led to a loss after tax excludes non-controlling interest of RM34.8 million in FY2023 versus RM17.3 million in FY2022.

Overall, GDEX remains focused on implementing strategic measures to enhance efficiency, drive revenue growth, and improve profitability in the long term.

MANAGEMENT DISCUSSION AND ANALYSIS

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Financial Position

GDEX maintained a robust financial position with a net cash surplus. As at end-FY2023, the Group's liquid financial assets, comprising deposits, cash, and short-term investments, amounted to RM194.7 million at the end of FY2023, versus RM226.7 million in the previous year. Shareholders' equity decreased to RM439.7 million as at end-FY2023 from RM490.2 million as at end-FY2022.

The Group maintains prudent financial management amidst evolving market conditions and remains ready to pursue strategic initiatives and capitalise on opportunities for sustainable growth.

Cashflow Management

In FY2023, GDEX demonstrated robust cashflow management, with net cash from operating activities increasing to RM40.1 million in FY2023 from RM22.5 million in the previous year, partly contributed by income tax refund.

Meanwhile, net cash used in investing activities in FY2023 amounted to RM3.5 million compared to RM69.9 million generated last year, primarily due to investments in property, plant and equipment, as well as increased investment in redeemable convertible preferences shares.

Net cash used in financing activities amounted to RM50.8 million in FY2023, attributed to payment of lease liabilities, hire purchase payables, dividend disbursements, and share repurchases.

GDEX 2.0

Leveraging our strengths in process engineering, technology, and systems integration, the Group will press ahead with GDEX 2.0, a complete logistics ecosystem of technology partners and synergistic businesses that will transform our business model into a comprehensive logistics solutions provider.

HIGHLIGHTS ON INVESTMENT COMPANIES

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

GDEX's Vietnamese express delivery subsidiary, NETCO, continues to be a significant contributor to the Group, contributed 15.8% of the Group revenue. Guided by its motto of "Serving Customers, Build Trust", NETCO operates an extensive express delivery network covering all 63 of Vietnam's provinces through nine strategic hubs. With a strong presence, NETCO caters to the needs of over 4,000 corporate and public sector clients across the country.

In FY2023, NETCO experienced a slight decline in revenue, down by 4.4% to VND326.8 billion (approximately RM62.6 million) from VND348.4 billion (approximately RM65.5 million) in the previous year, primarily attributed to lower consumer purchasing power as a result of an economic slowdown.

As a result of lower revenue and higher operating cost, NETCO reported a net loss after tax of VND45.9 billion (approximately RM8.8 million), as compared to a net profit of VND16.1 billion (approximately RM3.0 million) in the previous year.

Nevertheless, we hold an optimistic outlook for NETCO's future prospects, particularly considering the robust performance of the Vietnamese economy, which recorded commendable growth of 5.1% in 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Web Bytes Sdn Bhd (“Web Bytes”)

As a leading home-grown player in retail technology, Web Bytes, in which GDEX holds a 38% stake, pioneers innovation through its Xilnex cloud-based Point-of-Sales solutions service. Renowned for its commitment to delivering exceptional service, pioneering technology, and unrivalled retail experiences, Web Bytes stands at the forefront of the industry.

Expanding its footprint across Southeast Asia, Web Bytes ventured into Vietnam in 2023 and is on track to commence operations in Thailand and the Philippines in 2024. Xilnex services are already accessible in Indonesia, Thailand, Vietnam, Singapore, and Cambodia.

In June 2023, Web Bytes launched the Xilnex Retail Tech Experience Store within Wonders café, located in PJ Midtown, Petaling Jaya. The establishment provides visitors with a fully immersive café experience, featuring Xilnex’s flagship solutions tailored for food and beverage (“F&B”) retailers. These include the Self-service Ordering Kiosk, iPad POS, Restaurant Queue Management System, Kitchen Display System, and Live Rack. The Xilnex Retail Tech Experience Store serves as a showcase for the capabilities of Xilnex’s solutions, allowing potential clients to experience firsthand the efficiency and customer engagement benefits of integrating these technologies into their businesses.

Furthermore, in June 2023, Web Bytes entered into a collaboration with a banker, payment platform and ALP Capital Sdn Bhd to introduce the Xilnex Cross Border DuitNow QR payment. This innovative payment solution enables Malaysian businesses to seamlessly accept payments from customers in Singapore, Thailand, and Indonesia, expanding their reach and enhancing their competitiveness in the regional market.

Additionally, in September 2023, Microsoft honoured Xilnex as the leading independent software vendor (“ISV”), highlighting Web Bytes’ expertise in delivering innovative solutions to businesses.

Recognised for its outstanding contributions, Xilnex received the prestigious Retail Technology Solution Excellence Award from the Federation of Malaysian Business Associations in October 2023, underscoring Web Bytes’ commitment to innovation and excellence in the cloud-based retail technology sector.

Furthermore, to empower F&B and retail entrepreneurs further, Web Bytes entered into a memorandum of understanding (“MoU”) with E3 Entrepreneurs Hub, aimed at providing entrepreneurs with the tools to embark on digitalization and scale up their businesses.

Sweetmag Solutions (M) Sdn Bhd (“Sweetmag”)

As a leading home-grown provider in the digital space, Sweetmag is 51%-owned by GDEX, specialising in end-to-end design, development, and support of e-commerce and corporate website solutions for major brands and retailers.

Sweetmag specialises in end-to-end design, development, and support of e-commerce and corporate website solutions for major brands and retailers. Its expertise includes offering clients a wide range of options to optimise their online presence and drive sales.

FY2023 was a year of expansion for Sweetmag, having grown its team size by 155%. This was accompanied by its regional expansion of establishing operations in Singapore, serving clients from Hong Kong, Taiwan, Singapore, and Australia. Additionally, Sweetmag built strategic alliances as they forged partnerships with Shopify and Yamato Japan. The company was also involved in a collaborative launch with one of the automobile company to introduce its website to the Malaysian market, which commenced in December 2023. Noteworthy event collaborations were also achieved during the financial year, including the successful co-hosting of the GDEX x Sweetmag x Shopify Digital Commerce Event in Kuala Lumpur, Malaysia, in August 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

ALP Capital Sdn Bhd (“ACSB”)

As a subsidiary of Web Bytes, in which GDEX holds a majority ownership stake of 90%, ALP Capital Sdn Bhd (ACSB) focuses on delivering innovative technology and financial solutions, particularly in business-to-business and supply chain financing services.

ACSB offers two key products: AlphyPay and Alphy Mart. The AlphyPay platform facilitates a wide range of online transactions, including FPX, credit card, and e-wallet payments, through a strategic collaboration with a prominent local bank. Additionally, Alphy Mart serves as a comprehensive B2B platform, enabling retailers to streamline their procurement process by accessing stock from a diverse range of vendors.

Through ACSB’s offerings, small and medium-sized retailers can optimise their cash flow, leverage competitive financing rates, and acquire cost-effective inventory solutions. Likewise, suppliers partnering with ACSB gain access to expanded distribution channels, heightened sales opportunities, and enhanced credit terms.

By leveraging synergies with ACSB, GDEX enhances our overall offerings by providing businesses with solutions to thrive in a competitive market environment.

Anon Security Sdn Bhd (“Anon Security”)

Anon Security is a leading provider of cybersecurity solutions enhanced by artificial intelligence and machine learning capabilities. With GDEX holding a significant majority stake of 60%, Anon Security plays a key role in GDEX’s comprehensive suite of supply chain solutions.

Anon Security offers a diverse range of cybersecurity services to safeguard businesses against evolving threats. Anon Security serves as a regional distributor for renowned cybersecurity brands, including BlackBerry Cylance, DTex, Ridge Security, and Cyble; enhancing GDEX’s capabilities to provide end-to-end security solutions to its clientele.

In May 2023, Anon Security was honoured with the Top New Logo Partner award in the Asia Pacific region by BlackBerry. This recognition was conferred in the acknowledgment of Anon Security’s accomplishment of securing the largest new deal in Asia Pacific to one of its clients.

By integrating Anon Security’s expertise into its supply chain suite, GDEX strengthens its ability to offer robust cybersecurity measures, ensuring the integrity of critical business data and operations in today’s digital landscape.

PT Satria Antaran Prima TBK (“SAPX”)

Our Indonesian associate SAPX is a major express delivery provider in the Indonesian market, boasting a large network comprising 273 distribution points across the archipelago, and a fleet of 431 modern vehicles. The company continues to make great strides, meeting the growing demand for express delivery in Indonesia’s fast-growing economy.

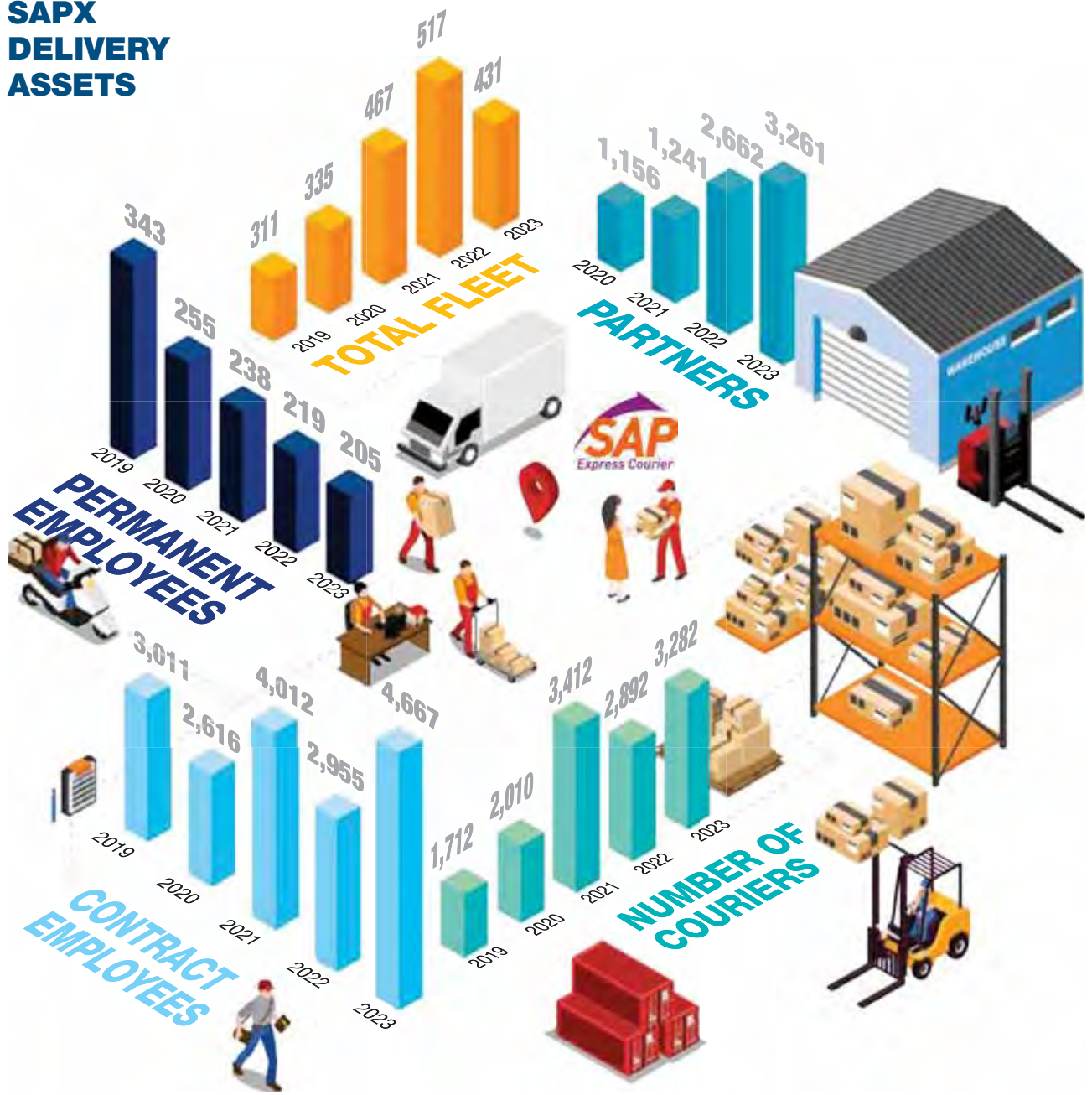
In FY2023, SAPX reported a notable increase in revenue by 5.1% to IDR622.2 billion (approximately RM186.4 million) versus IDR591.9 billion (approximately RM176.0 million) in FY2022. The company also reported 32.4% higher net profit of IDR1.1 billion (approximately RM0.3 million) from IDR831.1 million (approximately RM0.2 million) in the previous year.

SAPX has successfully secured a one-year contract with one of the e-commerce platform Tokopedia, which commenced in September 2023. This contract has boosted SAPX’s sales volume and enabled greater exposure of the SAPX brand on the e-commerce platform.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

SAPX DELIVERY ASSETS



MANAGEMENT DISCUSSION **AND ANALYSIS**

cont'd

OPERATIONS REVIEW

Malaysia Operations

The Group inaugurated its RM25 million Auto Hub in Petaling Jaya on 30 May 2023. The new 145,000 square feet fully automated sorting facility is poised to triple GDEX's sorting capacity to 350,000 shipments daily.

The GDEX Auto Hub deploys intelligent sorting technology with a sorting accuracy of 99.99% to shorten turnaround time and reduce the risk of parcel damage, enhancing the Group's customer service quality.

Approximately 30% larger than the Group's previous sorting hub in Petaling Jaya, GDEX Auto Hub uses a double deck cross-belt sorter to maximise sorting capacity by utilising the hub's air space. Furthermore, GDEX Auto Hub uses environmentally-friendly equipment such as electric forklifts and pallet jacks, which are powered by rechargeable batteries.

CONCLUSION

Dedicated to transformation and sustainability, GDEX's strategic direction is deeply rooted in innovation and adaptability, which is crucial for navigating the ever-changing business landscape of regional markets.

Acknowledging the pivotal role of our investee firms and their ecosystems, we actively leverage their potential to fuel growth and enhance resilience across our operations. In addition, by proactively equipping our workforce with essential skills, we are primed to thrive in tomorrow's dynamic business environment.

These initiatives, along with ongoing investments in technology and strategic partnerships, position GDEX for continued success and sustainable growth in the future.

5-YEAR NON FINANCIAL INDICATORS (GDEX GROUP)



Once the component companies are operating as ONE in an ecosystem, that will provide the multiplier effect to each company as growth will be accelerated, with greater access to the market, stronger balance sheet, and most importantly, being the provider of COMPLETE solutions to our customers.

With the establishment of the GDEX ecosystem, GDEX's core business and investee companies will be able to scale up quickly across the region, and globe.



UPU UNIVERSAL POSTAL UNION

Saudi Arabia
GDEX

Malaysia
GDEX GDEX
InsuGee ANON
GDEX GDEX

Cambodia

Vietnam
NETCO GDEX GDEX

Singapore
GDEX GDEX
GDEX GDEX

Indonesia
SAP GDEX

- GDEX** Last mile delivery and logistics
- GDEX** Digital shipping platform
- InsuGee** Online insurance platform
- ANON** Smart retail and F2F services
- GDEX** With and enterprise solutions
- ANON** Cybersecurity solutions
- SAP** Social Commerce Platform

GDEX - FROM MALAYSIA TO GLOBAL



DIRECTORS' PROFILE



TAN SRI MUHAMMAD BIN IBRAHIM

Independent Non-Executive Chairman

Malaysian | Male | Aged 63

Tan Sri Muhammad bin Ibrahim was appointed to the Board on 1 May 2020. Tan Sri served as the Governor of Bank Negara Malaysia from 2016 to 2018. His career at the Central Bank spanned over a period of 34 years. He was also the Chairman of the Monetary Policy Committee and Financial Stability Committee. He was active at the regional and international community on issues of central banking, economics, and finance. He was a former Commissioner of the Securities Commission of Malaysia and Independent Director of Petronas. Tan Sri Muhammad holds a Masters Degree from Harvard University and the International Islamic University. He is a member of the Malaysian Institute of Accountants and a Fellow Chartered Banker of Asia Institute of Chartered Bankers.

Tan Sri Muhammad bin Ibrahim is also a director of Hextar Technologies Solutions Berhad.



DIRECTORS' PROFILE

cont'd

TEONG TECK LEAN

Managing Director / Group Chief Executive Officer

Malaysian | Male | Aged 63



Mr Teong was appointed to the Board on 8 February 2005. He holds a degree in Electrical and Electronics Engineering from the University of Manitoba, Canada in 1983. Mr Teong started his career as an engineer with Texas Instruments in 1984. He later joined Lembaga Letrik Negara where he served as a Consumer Engineer for four (4) years. He then joined the stock broking industry and became a dealer with OSK Securities Berhad in 1990. During this stint in the broking industry, he developed extensive contacts and the skills pertinent to managing a service centric business. In 2000, he acquired a controlling stake in GD Express Sdn Bhd. He was instrumental in turning the Group around by putting corporate policies and best practices in place, which cumulated in the listing of GDEX on the MESDAQ Market (currently known as ACE Market) on Bursa Securities in 2005. Currently, Mr Teong is responsible for the business development, setting strategic direction and 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. Mr Teong served as the president of the Association of Malaysian Express Carriers (AMEC) from 2020 until 2023. He currently sits on the board of SJKC Chung Hwa (P) Kuala Lumpur.

DIRECTORS' PROFILE

cont'd



LIM CHEE SEONG

Executive Director / Chief Financial Officer

Malaysian | Male | Aged 57

Mr Lim was appointed to the Board on 10 April 2015. Mr Lim has more than 26 years' work experience in accounting, auditing, taxation, risk management, administrative, and human resource management. He started his career as an 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 for Group Accounts of NV Multi Corporation Berhad (NV Multi) from 1996 to 2005. Upon his departure from NV Multi, he assumed various management roles, including Finance & Administration Manager in a travel agency company and Group Finance Manager in a trading and manufacturing company. Prior to joining GDEX, he was a General Manager, Finance in Turiya Berhad and Chase Perdana Sdn Bhd. Mr Lim joined GDEX as General Manager, Finance in May 2011 and was later promoted to Chief Financial Officer in February 2014, where he is involved in the strategic planning of the Group. Mr Lim holds a Master's Degree in Business Administration ("MBA") from University of Gloucestershire, United Kingdom. He is also a member of the following professional bodies:

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

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

DIRECTORS' PROFILE

cont'd

CHUA PUT MOY

Independent Non-Executive Director

Malaysian | Female | Aged 68



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

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

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

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

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

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

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

DIRECTORS' PROFILE

cont'd



NURAINI BINTI ISMAIL

Independent Non-Executive Director

Malaysian | Female | Aged 61

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

Prior to her appointment to the Board of GDEX Berhad, Puan Nuraini was with PETRONAS for 29 years, since 1992 and the last position held prior to her retirement in 2021 was the Vice-President of Treasury. She has held various senior positions in PETRONAS Group including Senior General Manager, Group Treasury of PETRONAS, General Manager,

Finance & Accounts Services and General Manager, Commercial Services of Malaysian International Trading Corporation Sdn Bhd. She was also appointed as a Non-Independent Non-Executive Director of Petronas Dagangan Berhad from 11 November 2011 until 31 May 2021 and was a member of Audit Committee from 1 December 2013 until 31 May 2021.

Puan Nuraini is also appointed as an Independent Non-Executive Director of Bank Islam Malaysia Berhad, MCIS Insurance Berhad, LBS Bina Group Berhad, IIUM Holdings Sdn Berhad (IIUM), a wholly owned subsidiary of the International Islamic University of Malaysia, IIUM Educare Sdn Bhd and IIUM Daya Bersih Sdn Bhd which are wholly owned subsidiaries of IIUMH.

Her past experience also included Secretary of the National Trust Fund and Secretary General of Yayasan UTP University Technology Petronas.

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

DIRECTORS' PROFILE

cont'd



LOW NGAI YUEN

Independent Non-Executive Director

Malaysian | Female | Aged 47

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

A passionate activist, she is the President of the 24-year-old Persatuan Kakiseni that champions the arts and its advocacy; and in 2013, Ms Low founded Pertubuhan Pembangunan Kendiri Wanita Dan Gadis, WOMENgirls; an NGO dedicated to program interventions to remind women as role models to younger girls to achieve their potentials. Additionally, Ms Low is the founding member who then led as the Executive Director from 2016 to 2021 of Global Entrepreneurship Movement Association, GEMA, that enables technology transfer, bridges the technology gap of overlooked communities for market access, as well as builds online resources for cross-border entrepreneurship.

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

Ms Low currently serves on the Pahang Economic Advisory Council 2024/5; Committee To Culturalise Productivity for Malaysia Productivity Corporation, MPC; National Cultural Council (MAKEN) as well as the Steering Committee of the 30% Club Malaysia.

DIRECTORS' PROFILE

cont'd

DATO' AZMAN BIN MAHMUD

Independent Non-Executive Director

Malaysian | Male | Aged 63



Dato' Azman Bin Mahmud was appointed to the Board of GDEX Berhad on 1 June 2021. He graduated from Universiti Putra Malaysia in 1986 with a Bachelor of Engineering (Agriculture) in 1986. Dato' Azman has also attended several leadership and professional development programmes such as 'A Cutting Edge of Development Thinking', Harvard Kennedy School, USA; 'Leading Change & Organizational Renewal', Harvard Business School, USA; Strategy Execution Programme, INSEAD France; APAC Government Leadership Programme (AGLP) in Croton Ville, New York, USA; and Temasek Foundation International Asia Leader's Connect, Singapore.

After having served with the Malaysian Investment Development Authority (MIDA) for over three decades, Dato' Azman Mahmud ended his tenure there as the Chief Executive Officer. He was entrusted with immense responsibility to drive investments into the country and lead the organization in advising, formulating and recommending strategies, policies, investment and industry development programmes in the manufacturing and services sectors to the Government of Malaysia.

In his former role as CEO of MIDA, he was also pivotal in attracting foreign investments into the country, in addition to being instrumental in driving domestic investments in various industries and sectors. He was appointed as Chairman of Exim Bank a government-owned development financial institution from October 2021 - September 2023.

He holds Chairmanship positions on several boards of companies which include Panasonic Malaysia Sdn Bhd, Panasonic Manufacturing Malaysia Berhad, SME Aerospace Sdn Bhd, Privasia Technology Bhd and Cnergengz Bhd. He is also an Independent Non-Executive Director of Texchem Resources Bhd.

In addition, he is a board member of companies within the Panasonic Group of Companies Malaysia, Akademi Transformasi Asnaf Perlis Sdn Bhd (a subsidiary of Majlis Agama Islam Perlis) and Kulim Technology Park Corporation (a high technology industrial park developer under SEDC of Kedah). He is also an investment panel member for Penjana Kapital (an entity established by the Ministry of Finance in July 2020).

DIRECTORS' PROFILE

cont'd



YUJI NASHIMOTO

Non-Independent Non-Executive Director

Japanese | Male | Aged 49

Mr Yuji Nashimoto was appointed to the Board on 1 February 2024. He graduated from Keio University with a Degree in Business Commerce in 1998. He began his career at Yamato and worked in various management roles, such as Manager at Yamato Holding Co., Ltd and Vice President at Yamato Transport USA. Nashimoto is currently the Managing Director at Yamato Transport (S) Pte. Ltd.

He has contributed to Yamato's business growth in Europe, the US, and Asia for 20 years. Nashimoto has great expertise in cross-border e-commerce and global forwarding, where he has helped acquire many customers and contributed to the company's growth.

Nashimoto also has extensive experience in the e-commerce industry, in addition to IT skills honed during his concurrent role as the head of IT department at Yamato Transport USA; equipping him with cross-functional experience in operations and technology.

DIRECTORS' PROFILE

cont'd

YIK YEN SHAN, VINCENT

Non-Independent Non-Executive Director

Singaporean | Male | Aged 51



Mr Vincent Yik was appointed to the Board on 11 February 2022. He joined Singapore Post Limited (SingPost) in December 2021 and currently serves as the Group Chief Financial Officer, where he is responsible for overall financial matters of the SingPost, including financial and management reporting, taxation, investment management, risk management, treasury, and other corporate matters. Mr Vincent has more than 20 years of finance-related experience. Before assuming his current role, he served as Chief Financial Officer (“CFO”) at OUE Lippo Healthcare Limited. Prior to that, Mr Vincent held key executive roles, including the CFO of Far East Orchard Limited (a member of Far East Organization), Chief Operating Officer for Australia Properties of

Far East Organization in Sydney, as well as CFO for Australia & New Zealand Banking Group in Singapore. He holds a Bachelor of Commerce from the University of Queensland, Australia. Mr Vincent is also a member of CPA Australia as well as the Institute of Singapore Chartered Accountants.



DIRECTORS' PROFILE

cont'd



TEONG TSANG WHON, EDMUND

*Alternate Director to Mr. Teong Teck Lean/
Head of Global Business Development*

Malaysian | Male | Aged 31

Edmund graduated with a Bachelor of Accounting and Finance from Monash University in 2014 and later obtained his Chartered Financial Analyst (“CFA”) in 2019. He started his career in Deloitte Singapore as a Senior Audit Associate, specialising in financial audit. He joined GDEX as an Investment Analyst in November 2016, contributing to the strategic planning and financial modelling of the Group. In 2019, he assumed the role of Product Lead, spearheading the growth of new products. From January 2021 until October 2023, Edmund assumed the role of Head of Business Development, where he oversaw diverse portfolios in retail, online platforms, partnerships, international express, and

marketing. In his current role as Head of Global Business Development, Edmund focuses on Vietnam, Indonesia, Malaysia, and Singapore markets, focusing on supply chain and technology solutions within GDEX’s ecosystem. He was also appointed as the Alternate Director to Mr Teong Teck Lean, Group Chief Executive Officer on 1 January 2024.

DIRECTORS' PROFILE

cont'd

TEOH CHO MIN, JOHN

*Alternate Director to Mr. Lim Chee Seong/
Chief Sustainability Officer*

Malaysian | Male | Aged 49



John joined GDEX in July 2019 in the Strategy & Business (Advisory Division), assisting the Group Chief Executive Officer (“GCEO”) in setting and driving the organisation’s vision, mission, and group strategies, as well as developing the Group’s strategic plan in line with the direction set by the GCEO and Board of Directors. He was promoted to the position of Chief Strategy Officer in October 2021 and was later appointed as the Chief Sustainability Officer in June 2023. He has also been appointed as the Alternate Director to Mr Lim Chee Seong, Chief Financial Officer on 1 January 2024.

John is currently responsible for driving the adoption of sustainability within the organisation in all activities by formulating, implementing, monitoring, and communicating sustainability initiatives, policies, framework as well as processes. Backed by his vast experience and exposure in fund management and research analysis, he is tasked to collaborate and work with the Group’s Investment Team to optimise investment plans and opportunities to achieve the desired investment objectives of the Group. His other role is to supervise Human Resources, Learning & Development, and Accreditation Department.

Prior to joining GDEX, he was a Senior Fund Manager at Eastspring Investments Bhd, managing RM2 billion of insurance funds. John has been in research analysis and fund management for 18 years with experience in the unit trust and insurance industries. He started his fund management career as a research analyst at TA Asset Management in 2001, and later moved on to be a fund manager at Alliance Investment Management and Hong Leong Assurance. John graduated with a Bachelor of Economics (Hons) Degree from the University of Malaya in 1999.

DIRECTORS' PROFILE

cont'd

1. Family relationship with Directors and/or Major Shareholders

Save for the following, none of the Directors have any family relationship with other Directors and/or major shareholders of the Company:

Mr. Teong Tsang Whon is the son of Mr. Teong Teck Lean, the Managing Director/Group Chief Executive Officer and Substantial Shareholder of the Company.

Mr Teong Teck Lean and his spouse, Madam Wang Heng 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 other than disclosed under Note 35 to the Financial Statements in this Annual Report.

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 31 December 2023.

4. Attendance at Board Meetings

Details of the Directors' attendance at the Board Meetings are disclosed in the Corporate Governance Overview Statement on page 96 of this Annual Report.



KEY MANAGEMENT PROFILE



KEY MANAGEMENT **PROFILE** cont'd



KEY MANAGEMENT PROFILE

cont'd

TEONG TECK LEAN

*Managing Director/
Group Chief
Executive Officer*

Malaysian
Male
Aged 63

Please refer
to Directors' Profile
on page 25.

LIM CHEE SEONG

*Executive Director/
Chief Financial
Officer*

Malaysian
Male
Aged 57

Please refer
to Directors' Profile
on page 26.

TEONG TSANG WHON, EDMUND

*Alternate Director to
Mr. Teong Teck Lean/
Head of Global Business
Development*

Malaysian
Male
Aged 31

Please refer
to Directors' Profile
on page 33.

TEOH CHO MIN, JOHN

*Alternate Director to Mr.
Lim Chee Seong/Chief
Sustainability Officer*

Malaysian
Male
Aged 49

Please refer
to Directors' Profile
on page 34.



KEY MANAGEMENT PROFILE

cont'd



CHONG HUI CHUEN, CAREN

Chief Operating Officer

Malaysian | Female | Aged 43

Caren 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 a Test Engineer in 2004, followed by Intersil International Operations Sdn Bhd as a Lead Test Engineer in 2007. Caren joined GD Express Sdn Bhd in November 2013 as an Advisor for Process Innovation and assumed an additional portfolio, as Stand-In Head for Business Service and Support Group in 2017. Caren is responsible for project management, which involves collaborating with various departments and resources, as well as making recommendations and improvements for business processes. She was appointed Chief Operating Officer on 1 December 2018. In this role, she is responsible for the effective and efficient planning and coordination of the Courier Operations, Logistics Operations, Hub Operations, Linehaul Operations, Fleet Division, Business Service and Support Group, as well as the Process Innovation Division. Caren was appointed Acting Chief Executive Officer for GD Express Sdn Bhd and GD Logistics (M) Sdn Bhd on 1 December 2022.

(She has no directorships in other public companies and listed issuers. She does not have any family relationship with any director and/or major shareholder of the company. She does not have any conflict of interest with the company and has no convictions for any offences within the past five (5) years, other than traffic offences, if any.)



KEY MANAGEMENT PROFILE

cont'd



MELVIN FOONG MUN HOE

Chief Information Officer

Malaysian | Male | Aged 43

Melvin was appointed as the Chief Information Officer on 18 July 2022. He is responsible for the overall technology stack of GDEX Berhad. He oversees the company's Information Technology division, comprising multiple teams, including software development, cybersecurity, and infrastructure. Melvin was previously from Rakuten Trade where he last served as the Deputy Chief Information Officer. In this role, he achieved positive results in software quality as well as improved system uptime and reliability. Prior to joining Rakuten Trade, he was the Group Chief Technology Officer of multinational company Premium Worldwide Co., Ltd for two years, where he was based in Myanmar. He has held various senior roles across e-commerce, property development, health, retail, manufacturing, education, hotels, logistics, and automotive industries. He has a cumulative 20 years of work experience covering software development, database administration, digital forensic, and cybersecurity.

(He has no directorships in other public companies and listed issuers. He does not have any family relationship with any director and/ or major shareholder of the company. He does not have any conflict of interest with the company and has no convictions for any offences within the past five (5) years, other than traffic offences, if any.)

KEY MANAGEMENT PROFILE

cont'd



TAN KAY BENG, NICHOLAS

Chief Business and Partnership Officer

Malaysian | Male | Aged 51

Nicholas assumed the role of Chief Business & Partnership Officer at GDEX in May 2023, bringing with him a wealth of experience and expertise. Graduating with a Bachelor's Degree in Information System from Campbell University, United States in 1997, Nicholas is a seasoned professional, responsible for steering the development and execution of strategic partnership initiatives within the organisation.

Before joining GDEX, Nicholas served as a Senior IT Executive at Li Fung, a Fortune 100 company, for 20 years. Eight of those years were dedicated to roles at Li Fung Hong Kong headquarters, where he played a crucial part in Information Technology, Business Development, and Leadership Development. His extensive leadership positions with Li Fung involved managing relationships with prominent clients such as Kohl's Department Store, Tommy Hilfiger, Lucky Brand, and Nike, among others. Nicholas' role at GDEX involves cultivating and managing relationships with external partners, stakeholders, and industry leaders. He focuses on leveraging these strategic partnerships to drive business growth, enhance organisational effectiveness, and capitalise on mutually beneficial opportunities. He also assumed an additional role of Head of Procurement for GDEX in January 2024. In this capacity, he oversees the procurement function, ensuring effective and strategic sourcing to support the company's objectives.

(He has no directorships in other public companies and listed issuers. He does not have any family relationship with any director and/ or major shareholder of the company. He does not have any conflict of interest with the company and has no convictions for any offences within the past five (5) years, other than traffic offences, if any.)

KEY MANAGEMENT PROFILE

cont'd



MARMIZAHSALWA AHMAD TARMIZI

Chief Regulatory Officer

Malaysian | Female | Aged 43

Marmizahsalwa was among the first batch of students selected for GDEX's scholarship programme. From being a recipient of the Dean's List Award for every semester, she graduated with a Vice-Chancellor's Award and First Class Honours in the Bachelor of Business Administration (International Business) programme, from Universiti Teknologi MARA in 2005.

Upon graduation, she started her career in GDEX as an executive in the Corporate Planning and Development Department. She was promoted as Head of Customer Service in 2007. Then, in 2008, she was appointed as Head of Domestic, Public Relations, and Communications. She was then given additional responsibilities as Manager for Corporate Planning and Development in 2011. Following that, she was appointed as Head of Corporate Planning and Development in 2012.

Later, in August 2013, Marmizahsalwa was appointed as Head of Country Operations, where she was in charge of planning and coordinating GDEX's courier operations in Malaysia and Singapore. Two years later, she was assigned as Special Projects Manager in the Chief Operating Officer's Office to handle all corporate development projects. Marmizahsalwa then held the position of Head of Regulatory & Corporate Office, where she oversees legal, regulatory, corporate compliance, corporate affairs, and corporate administration matters. Today, she holds the position as GDEX Chief Regulatory Officer (CRO).

In addition, Marmizahsalwa was also appointed as Deputy Secretary of the Association of Malaysian Express Carriers (AMEC), which aims to protect, promote, and develop the express carrier industry as a whole.

(She has no directorships in other public companies and listed issuers. She does not have any family relationship with any director and/or major shareholder of the company. She does not have any conflict of interest with the company and has no convictions for any offences within the past five (5) years, other than traffic offences, if any.)

UNLEASHING POTENTIAL BEYOND LIMITS



AUTO HUB GRAND LAUNCH 30 May 2023

A large photograph showing three men in the foreground, smiling and looking towards the right. They are wearing dark safety vests over suits. The background shows a large industrial facility with yellow and blue structural elements. A large white sign with a blue 'G' logo is visible on the right. The overall scene is bright and celebratory.

GDEX AUTO HUB LAUNCH

Amidst an atmosphere of excitement, the GDEX Auto Hub celebrated its official launch on 30th May 2023. The launch, officiated by Communications and Digital Minister Fahmi Fadzil, marked a significant milestone in GDEX's journey of adopting automation and cutting-edge technologies. The RM25 million GDEX Auto Hub has tripled the Group's sorting capacity to 350,000 shipments daily. Approximately 30% larger than the Group's previous sorting hub in Petaling Jaya, the GDEX Auto Hub uses a double deck cross-belt sorter to maximise sorting capacity by utilising the hub's air space. Spanning across 145,000 sq ft, the facility features intelligent sorting technology with a sorting accuracy of 99.99% to shorten turnaround time and reduce risk of shipment damage.









**CORPORATE
SUSTAINABILITY
REPORT**

2023

Include. Integrate. Sustain.

CORPORATE SUSTAINABILITY REPORT

cont'd

SCOPE OF REPORTING



This report encompasses the financial year from 1st January 2023 until 31st December 2023 ("FY2023"). All disclosures in this report emphasise on the core businesses of the GDEX Group.

STATEMENT OF ASSURANCE



To strengthen the credibility of GDEX Berhad Corporate Sustainability Report 2023, this report has been evaluated by the company's internal auditors in relation with the latest FY2023 data, reviewed by the Combined Nomination and Remuneration Committee ("CNRC"), as well as approved by the Board. The scope of the internal review was carried out as per the Scope of Reporting.

REPORT FRAMEWORK



The GDEX Berhad Corporate Sustainability Report for FY2023 has been prepared in reference to the following reporting guidelines and frameworks:

- Global Reporting Initiative ("GRI") 2021
- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- United Nations Sustainable Development Goals

FEEDBACK



We encourage and appreciate feedback from our esteemed stakeholders. Should you require additional clarification, please do not hesitate to contact us.

GDEX Sustainability
Email: sustainability@gdexpress.com

CORPORATE SUSTAINABILITY REPORT

cont'd

GDEX® 2023

Sustainability Highlights



4.95%

Reduced metric tonnes of CO₂ equivalent from actual energy consumption



95%

Customer satisfaction score



126,460 kg

Carton boxes recycled



PAPER

RM 855,181.14

Savings in paper and printing cost



34,319 kg

Paper recycled



31%

Increase in self-generated electricity



80%

Recycled plastic component Used in GDEX Go Green Flyers

CORPORATE **SUSTAINABILITY REPORT**

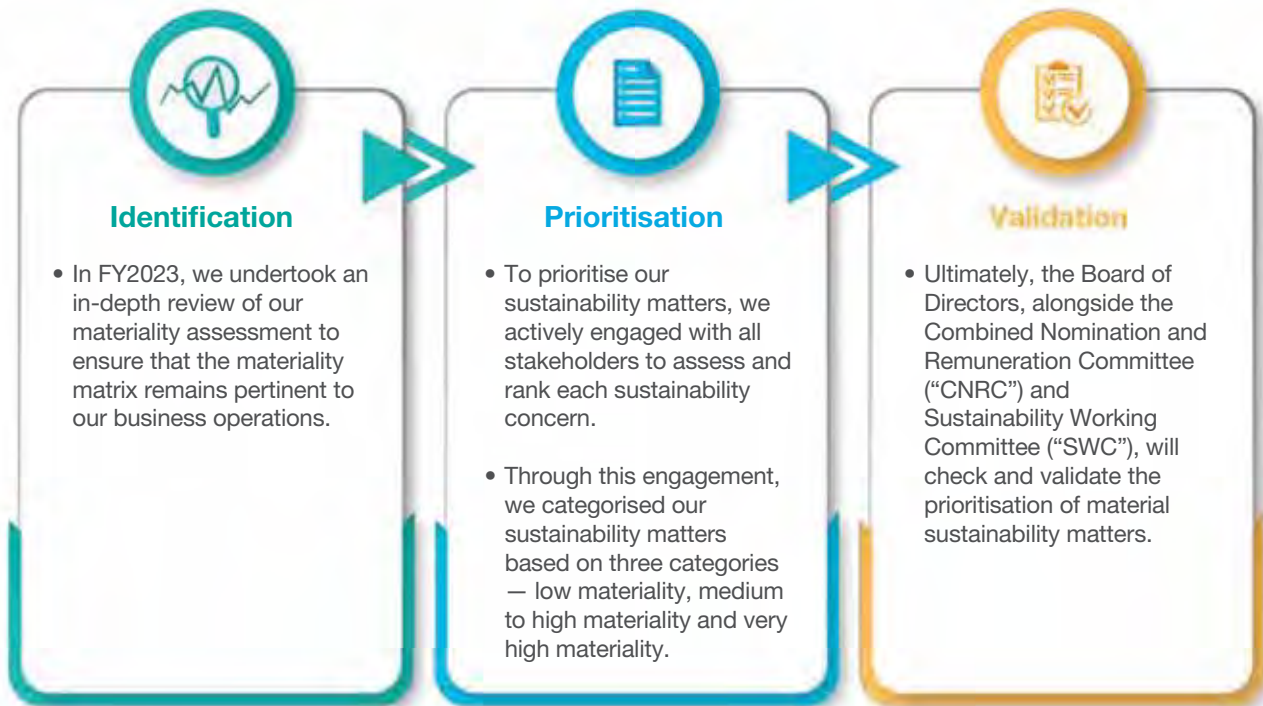
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GDEX'S APPROACH TO SUSTAINABILITY

In FY2023, GDEX remains continuously steadfast in our dedication to advancing global sustainable development in harmony with global initiatives. Similar to FY2022, we are embracing 12 out of the 17 United Nations Sustainable Development Goals (“SDGs”) by integrating these goals into our operations, focusing on the four main pillars: Economic, Environment, Social and Governance.

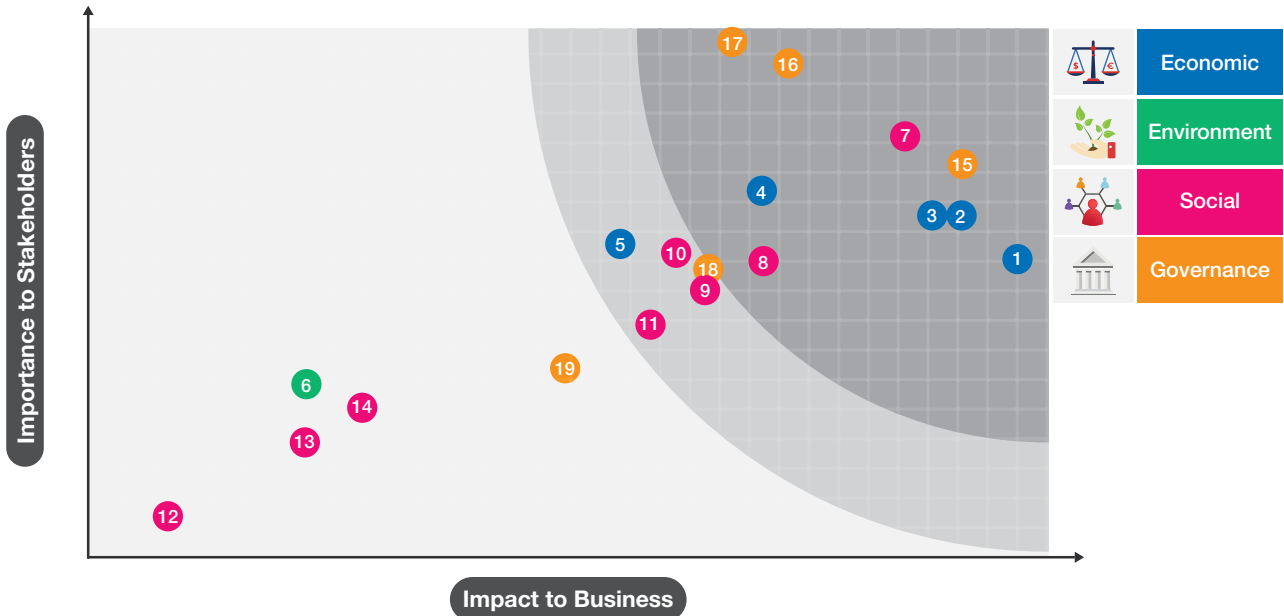
Material Sustainability Matters

GDEX proactively engages with stakeholders to determine the most relevant material matters for the Group. A thorough review of materiality assessment and stakeholder engagement was performed in accordance with our good practices, involving three key steps: Identification, Prioritisation, and Validation. This assessment adhered to the Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition) guidelines and utilised the Bursa Malaysia’s Toolkit, while also incorporating the perspectives of stakeholders aligned with GDEX’s strategic objectives. The outcomes pertaining to the material sustainability matters underwent detailed review and validation by the Board of Directors, in support of the Combined Nomination and Remuneration Committee (“CNRC”) as well as the Sustainability Working Committee (“SWC”).



CORPORATE SUSTAINABILITY REPORT **cont'd**

GDEX Materiality Matrix



No	Material Sustainability Matters	Relevant Stakeholders	SDGs
ECONOMIC			
1	Financial Performance	Employees Shareholders	
2	Operational Excellence	Employees	
3	Business Continuity Plan	Employees Suppliers Vendors Business Partners	
4	Digitalisation and Technology	Employees Customers	
5	Innovation	Employees Customers	

CORPORATE SUSTAINABILITY REPORT

cont'd

No	Material Sustainability Matters	Relevant Stakeholders	SDGs
ENVIRONMENT			
6	Environmental Initiatives	Regulators Community	  
SOCIAL			
7	Customer Experience and Satisfaction	Customers	 
8	Company Culture and Philosophy	Employees	  
9	Occupational Health and Safety	Employees	
10	Employee Well Being and Benefits	Employees	 
11	Talent Development and Retention	Employees	 
12	Corporate Social Responsibility Program	Community	   
13	Employee Engagement	Employees	
14	Socially Responsible Products & Services	Customers	



CORPORATE SUSTAINABILITY REPORT

cont'd

No	Material Sustainability Matters	Relevant Stakeholders	SDGs
GOVERNANCE			
15	Regulatory Compliance	Regulators	 
16	Anti-Bribery and Corruption	Employees Suppliers Vendors Business Partners	 
17	Data Security and Privacy	Employees Customers	 
18	Corporate Governance	Regulators	  
19	Risk Management	Employees Business Partners	  

CORPORATE SUSTAINABILITY REPORT

cont'd

Stakeholder Engagement

GDEX's main objective in 2023 was to engage with all its stakeholders and continuously work towards strengthening and building strong relationships with its Employees, Customers, Suppliers, Vendors & Business Partners, Government Agencies & Regulators, Local Communities, and Shareholders. Below is the disclosure of the engagement's focus and objectives, together with its engagement approach for both internal and external parties. This builds a strong and effective communication network among all GDEX stakeholders to uphold good governance and implement environment, social, and governance ("ESG") initiatives within the GDEX community.

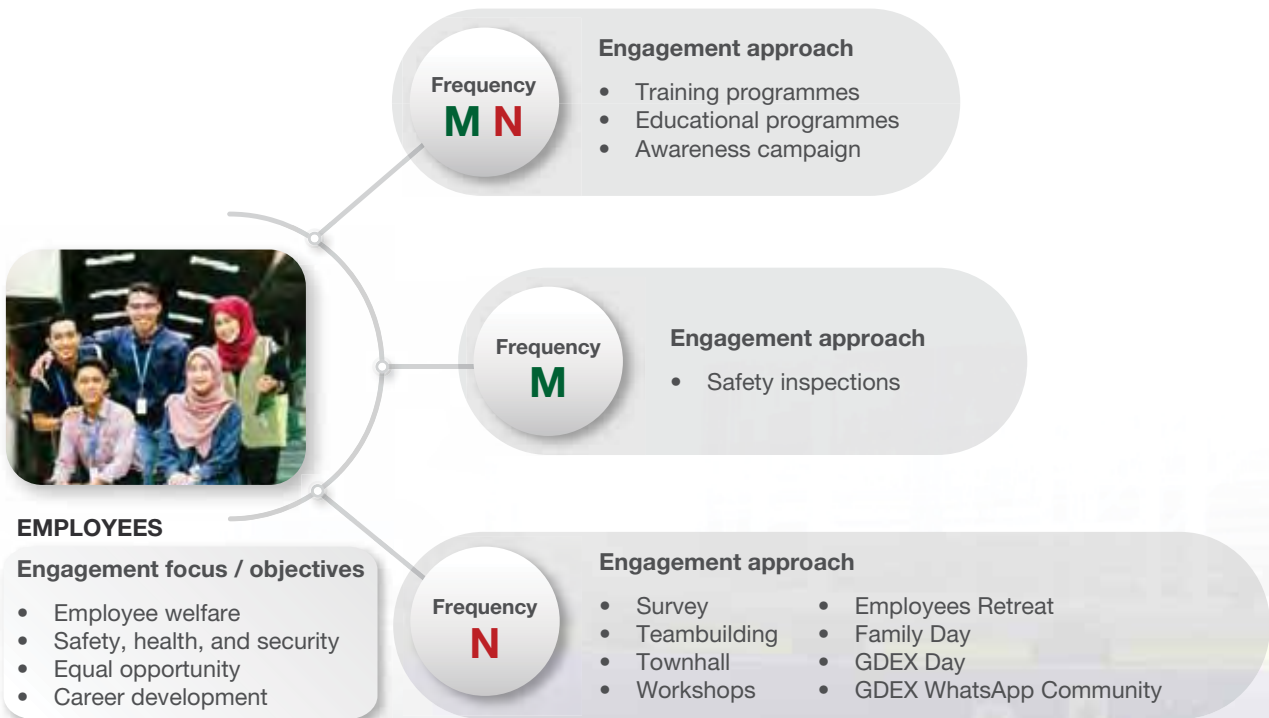
Annually - **A**

Quarterly - **Q**

Monthly - **M**

Daily - **D**

As needed - **N**



CORPORATE SUSTAINABILITY REPORT

cont'd



Frequency
D N

Engagement approach

- Customer survey
- GDEX website and social media platforms
- Call Centre
- Customer Care Centre (CCC)
- Customer visits
- Point of Presence (POP) outlets
- Campaigns and promotions
- Event sponsorships

CUSTOMERS

Engagement focus / objectives

- Service satisfaction
- Innovative offerings
- Security protection



Frequency
A N

Engagement approach

- Supplier quotation
- Supplier evaluation
- Integrator collaboration
- External audit exercise
- Drafting and vetting of legal documents
- Financial matters

SUPPLIERS, VENDORS & BUSINESS PARTNERS

Engagement focus / objectives

- Competitive pricing
- Reliability



Frequency
M N

Engagement approach

- Audits
- Site visits
- Visitations
- Seminars and training

GOVERNMENT AGENCIES & INDUSTRY REGULATORS

Engagement focus / objectives

- Corporate governance
- Regulatory compliance
- Licensing
- Certifications

CORPORATE SUSTAINABILITY REPORT

cont'd



Frequency
Q N

Engagement approach

- Community events
- Charity
- Internship programme

LOCAL COMMUNITIES

Engagement focus / objectives

- Community support and development
- Employment opportunities

Frequency
A

Engagement approach

- Annual report
- Annual General Meeting



Frequency
Q N

Engagement approach

- Analyst briefing and roadshows

SHAREHOLDERS

Engagement focus / objectives

- Corporate governance
- Financial performance
- Growth plans
- Shareholders' returns

Frequency
N

Engagement approach

- Investor relations website
- Press release
- Media interviews
- Announcements to Bursa Malaysia

CORPORATE SUSTAINABILITY REPORT

cont'd

Strength in Certification

GDEX remains committed to maintaining exemplary practices and ensuring the delivery of top-notch and dependable services to our customers as we progress on our sustainable journey. We are steadfast in our commitment to various certifications, including ISO 14001:2015 for Environmental Management System (“EMS”), ISO 9001:2015 for Quality Management System (“QMS”), and ISO 37001:2016 for Anti-Bribery Management System (“ABMS”). In FY2023, GDEX had obtained the Good Distribution Practice for Medical Devices (“GDPMD”) certification, marking another significant milestone. This achievement underscores our unwavering commitment to upholding high standards in our services. The Group is expected to obtain its ISO 27001:2022 Information Security Management System (“ISMS”) in FY2024.

ECONOMIC PERFORMANCE

Aligned with GDEX’s strategic plan, we are dedicated to integrating sustainability into our economic planning. Our ongoing efforts focus on enhancing our services to deliver efficient and dependable supply chain solutions, which includes express delivery and warehouse fulfilment services to the business community. We remain committed to serving as a vital connector within communities, facilitating the realisation of aspirations and livelihoods. As we embark on our sustainable journey, we uphold our corporate responsibility by promoting and achieving sustainable business growth while ensuring environmental compliance. This approach aims to yield superior returns for all stakeholders and foster increased job opportunities within the community. Our continuous commitment to good governance practices and policies serves as the cornerstone of our operations.

As a result, in FY2023, we recorded a total revenue of RM397.2 million. We persist in advancing and investing in digitalisation and technology to meet the heightened demand for superior logistics services. On 30th May 2023, we proudly inaugurated our GDEX Auto Hub, representing a substantial investment of RM25 million. This facility incorporates environmentally friendly technology, aligning seamlessly with our steadfast commitment to sustainability. Additionally, we continuously augment the scope of our services, having branched out into new business segments such as smart retail, web and enterprise solutions, cybersecurity solutions, social commerce, and insurance.

Going forward, GDEX is focused on creating substantial long-term value for all stakeholders and dedicated to prioritising a sustainable business model as a fundamental element of our strategic planning. Additionally, we persist in embracing cutting-edge technologies throughout our operations, with the aim to substantially elevate the quality of our logistics services.

CORPORATE SUSTAINABILITY REPORT

cont'd

Operational Excellence

At GDEX, we strive to maintain our top-notch services, especially in timely deliveries. Our dedication to operational excellence is unwavering, where we continuously conduct ongoing evaluations to oversee our operational processes, as meticulously outlined in our Quality Policy. Furthermore, we implement the Quality Management Review to refine our strategies and mitigate any efficiency gaps.

The inauguration of the GDEX Auto Hub in Petaling Jaya, has tripled our daily sorting capacity to 350,000 shipments. The integration of digitalisation has further bolstered our operations, ensuring the continued provision of high-quality delivery services to our customers. The Auto Hub is a vital part of the GDEX 2.0 transformation roadmap, which focuses on developing a comprehensive logistics ecosystem. By incorporating automation and digital solutions, GDEX strives to provide a streamlined delivery experience. The launch of the Auto Hub was graced by the presence of Communications and Digital Minister Yang Berhormat Fahmi Fadzil and GDEX board chairman Tan Sri Muhammad Ibrahim, both of whom praised the Group's commitment to innovation. With its advanced technology and expanded capacity, the GDEX Auto Hub aims to position GDEX as a leader in the delivery services sector.

We continue to uphold our commitment through the regular review of our organisation's Business Continuity Plan, to establish a robust framework aimed at maintaining high operational and service reliability.

Digitalisation and Technology

Moving forward, GDEX continues to enhance our operational systems and processes through digitalisation initiatives such as myGDEX and myGDEX Prime. In FY2023, the launch of the GDEX Auto Hub in Petaling Jaya has significantly enhanced our sorting capacity with its cutting-edge technology, in line with GDEX 2.0 transformation initiatives. This automation and technology implementation has enabled GDEX to bolster our overall operations and deliver timely services to our customers.

With the digital shift, it is imperative that GDEX's systems and data are well protected against cyber threats to ensure data security and privacy. GDEX has deployed Artificial Intelligence and Machine Learning-powered cybersecurity solutions across its systems and digital platforms, making us the most secured logistics service provider in Malaysia. Additionally, our digitalisation initiatives through the use of digital platforms in our operations have led to a notable reduction in paper consumption, resulting in savings on paper and printing costs of RM855,181.14 in FY2023. We remain dedicated to further reducing our paper consumption and printing costs in the coming years.

Furthermore, the ongoing implementation of our own user-friendly, in-house developed application, iFleet Management System, has replaced conventional manual data recording methods and gathers data such as speed and idling time, that would be impossible to collect manually. This application enables GDEX to enhance fleet efficiency by gathering, monitoring, and reporting various vehicle-related data as follows:



Speed, location, and idling time from GPS tracker



Vehicle cost (i.e. fuel, maintenance cost, roadtax, etc)



Vehicle documents (Insurance, road tax, inspection record, accident claim, summon, etc)



Vehicle utilisation, trip, refuel, and inspection log

CORPORATE SUSTAINABILITY REPORT

cont'd

In support of the cashless market, GDEX has forged robust partnerships with third party merchants and payment providers like Touch 'n Go, Boost, GrabPay, ShopeePay, among others. These collaborations are fully integrated into our e-payment portal, myGDEX, and myGDEX Prime. At the convenience of our customers, they can easily access these features through various channels, including the GDEX website, myGDEX portal, as well as our official Facebook and Twitter accounts.



Supply Chain Management

GDEX has implemented rigorous procurement policies and practices to ensure the sustainability and reliability of our supply chain. This commitment guarantees high-quality services and timely deliveries, while maintaining cost-effectiveness and upholding ethical standards. We adhere to a stringent evaluation process as part of our commitment in ensuring transparency when selecting and engaging with suppliers, vendors, agents, contractors, and business partners. All appointed third-party entities must fully adhere to ISO certification quality standards, as well as comply with GDEX's Vendors' Code of Conduct and Anti-Bribery and Corruption Policy. Furthermore, we continue to practise our annual assessment of our suppliers and vendors to ensure ongoing compliance with our quality standards, in addition to regular reviews of the GDEX Procurement Policy. Additionally, we place a high emphasis on bolstering the local economy, evidenced by 97.5% of our suppliers being locally based, while a mere 2.5% are sourced internationally. This strategy underscores our commitment to fostering local business ecosystems and minimising our global supply chain footprint.

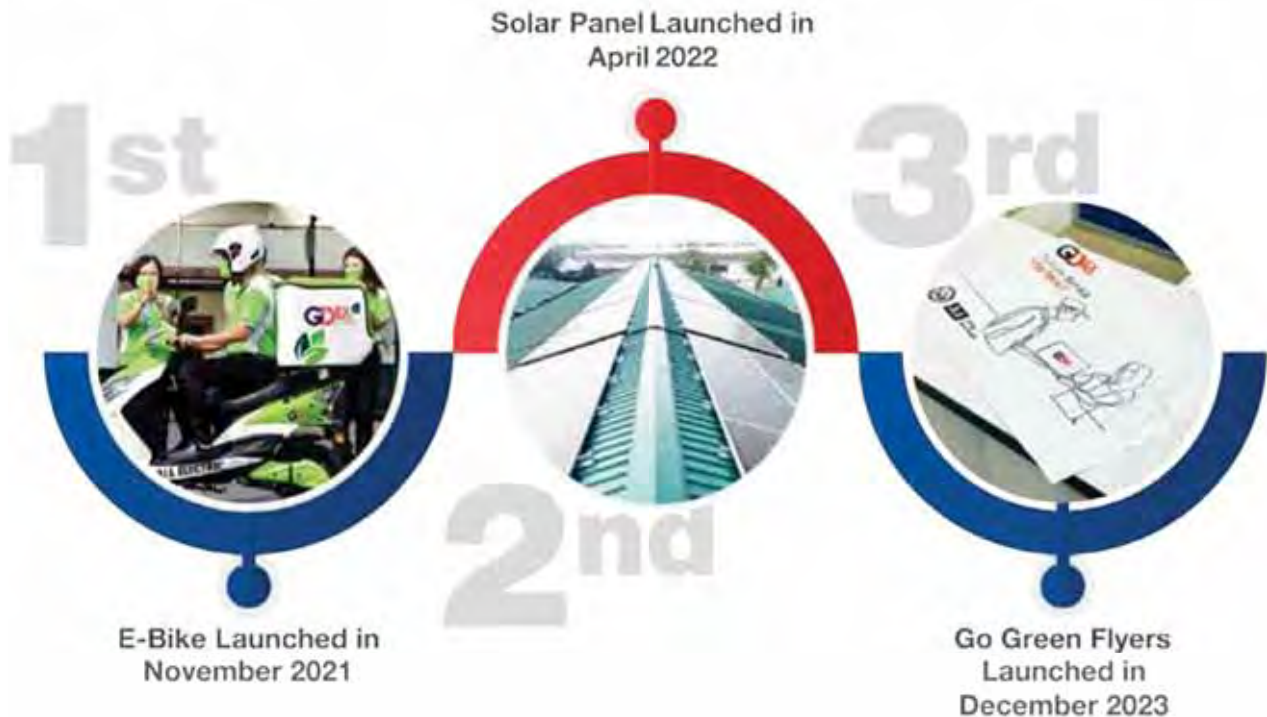
CORPORATE SUSTAINABILITY REPORT

cont'd

ENVIRONMENT

In FY2023, GDEX continued to make significant improvement in our operations to uphold our long-term goal in addressing climate change issues and their impact on the nation. GDEX aims to reduce our carbon footprint, by aligning the group's sustainability strategy in accordance with the Paris Climate Agreement 2015 and the United Nations' Sustainable Development Goals. GDEX launched its third green initiative with the introduction of the GDEX Go Green flyers in FY2023. In comparison to the conventional GDEX flyers, which are made from 100% virgin polyethylene (PE) plastic, the GDEX Go Green flyers are made of 80% recycled plastics. The use of recycled plastic components extends the lifespan of plastics and diverts it from landfills.

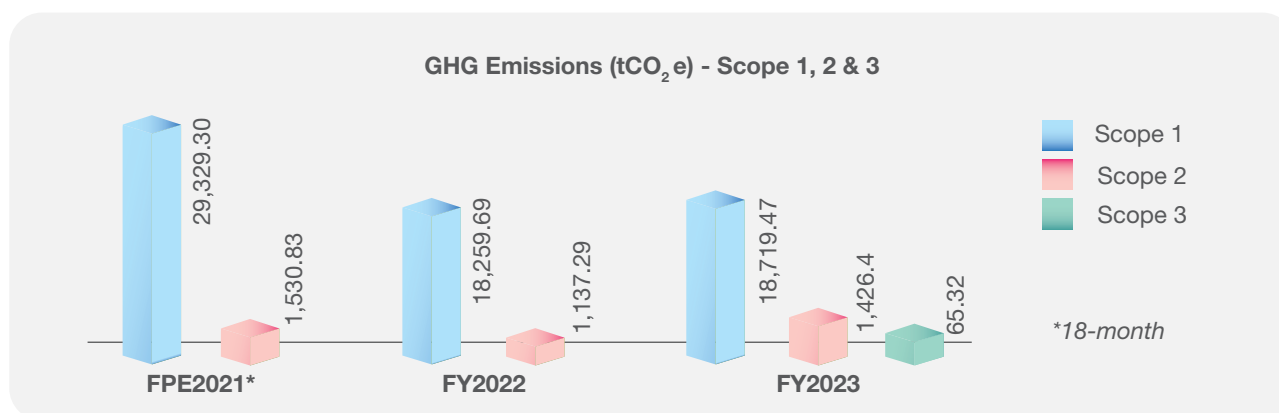
GDEX had taken further steps by disclosing Scope 3 greenhouse gas emissions, namely category 6 (Business Travel) and category 7 (Employee Commuting) for FY2023, in addition to the disclosure of Scope 1 and Scope 2 for FY2022. This demonstrates our support of the nation's target to achieving net-zero carbon emissions by 2050. In addition, GDEX continues to reinforce our environmental policies and practices, particularly in waste management and carbon emissions, through the integration of ISO 14001:2005 Environmental Management System (EMS) and ISO 9001:2005 Quality Management System in our business operations. These standards are independently verified on an annual basis by Intertek Certification International Sdn Bhd. As of FY2023, the integration of ISO 14001:2005 EMS certification encompasses over 90% of the sites of GDEX's operating subsidiaries in Malaysia.



CORPORATE SUSTAINABILITY REPORT

cont'd

Greenhouse Gas (GHG) Emissions



GDEX continues to enhance our GHG emissions disclosure by disclosing Scope 3, with Category 6 (Business Travel) and Category 7 (Employee Commuting), in addition to Scope 1 and 2 for FY2023. We recorded a total of 20,211.19 metric tonnes of CO₂ equivalent with a slight increase of 4.03% as compared to FY2022. In FY2023, we recorded a total of 65.32 metric tonnes of CO₂ equivalent for Scope 3 with Category 6 (56.54 tCO₂e) and Category 7 (8.78 tCO₂e). The installation of solar photovoltaic system at GDEX Petaling Jaya headquarters had yielded a substantial amount of 127,081 kWh energy reduction, equivalent to 74.34 tCO₂e. GDEX strives to reduce its GHG emissions through our various impactful green initiatives.

	GHG Emissions (tCO ₂ e)		
	FPE2021*	FY2022	FY2023
Scope 1 (Company vehicles)	29,329.3	18,259.69	18,719.47
Scope 2 (Energy consumption)	1,530.83	1,137.29	1,426.4
Scope 3 Category 6: (Business Travel)	N/A	N/A	56.54
Scope 3 Category 7: (Employee Commuting)	N/A	N/A	8.78
Total	30,860.13	19,396.98	20,211.19

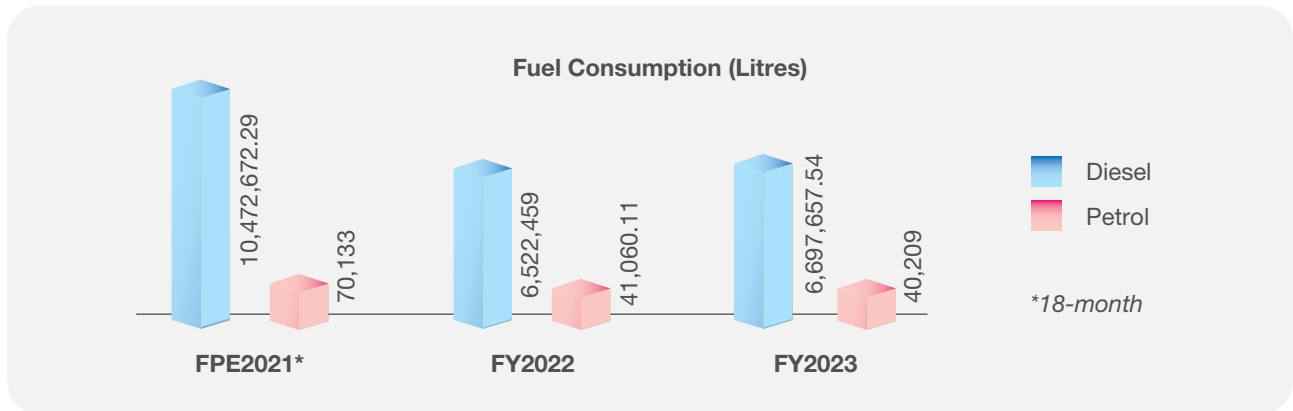
*18-month

CORPORATE SUSTAINABILITY REPORT

cont'd

Energy and Fuel Consumption

To conserve fuel consumption and minimise fuel wastage, GDEX has trained a team of skilled employees to conduct regular maintenance on all company-owned vehicles. This ensures that all vehicles are properly maintained, thus enhancing energy efficiency. Additionally, GDEX is proactively replacing one-tonne and three-tonne trucks with lighter, more fuel-efficient models to reduce greenhouse gas emissions. Looking ahead, GDEX will continue to explore additional green alternatives such as biodiesel and hybrid vehicles to further reduce fuel consumption and GHG emissions.



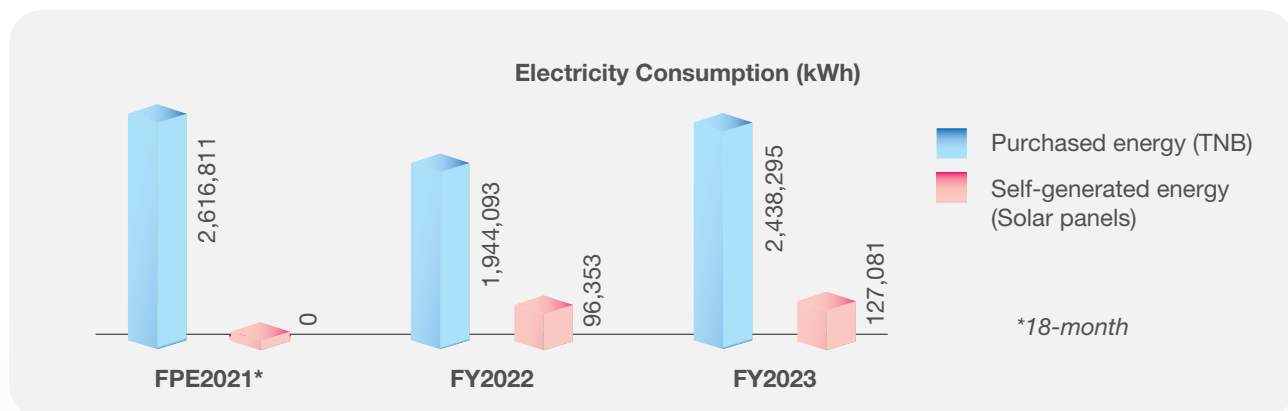
The overall fuel consumption amounted to 6,737,867.44 litres in FY2023, consisting of 6,697,657.54 litres of diesel and 40,209.90 litres of petrol. This resulted in total emissions of 18,719.47 tCO₂e. In FY2022, the total fuel consumption 6,563,519.11 litres, comprising 6,522,459 litres of diesel and 41,060.11 litres of petrol. The slight uptick in total fuel consumption for FY2023, relative to FY2022, is primarily attributed to a growth in our business activities.



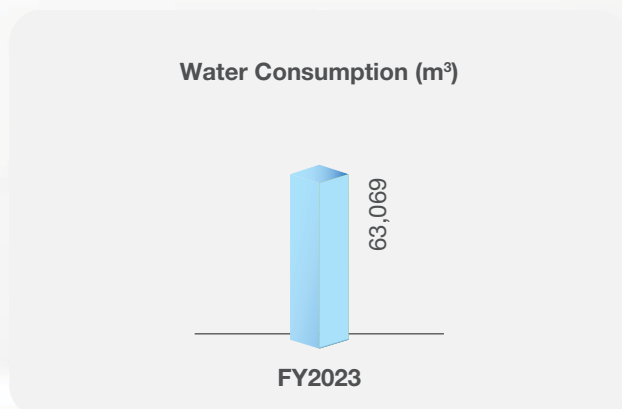
CORPORATE SUSTAINABILITY REPORT

cont'd

In FY2023, our total electricity consumption added up to 2,565,376 kWh, compared to 2,616,811 kWh in FPE2021 and 2,040,446 kWh in FY2022. Through our GDEX Go Green initiatives, particularly with the installation of solar panels at our Petaling Jaya headquarters in FY2022, we achieved self-generated electricity of 144,374 kWh for FY2023, an increase of 43,810 kWh (30.34%). Of this, 127,081 kWh was utilised for self-consumption, while the remaining 17,293 kWh was sold back to Tenaga Nasional Berhad (“TNB”). This green initiative enabled us to reduce a total of 74.34 tCO₂e from purchasing electricity from TNB. This signifies a positive reduction of 4.95% in CO₂e emissions from actual electricity consumption. We remain committed to educating our employees on the importance of energy conservation through regular briefings and awareness campaigns, emphasising on practices such as switching off electrical appliances when not in use and avoiding engine idling to conserve fuel.



Water Consumption



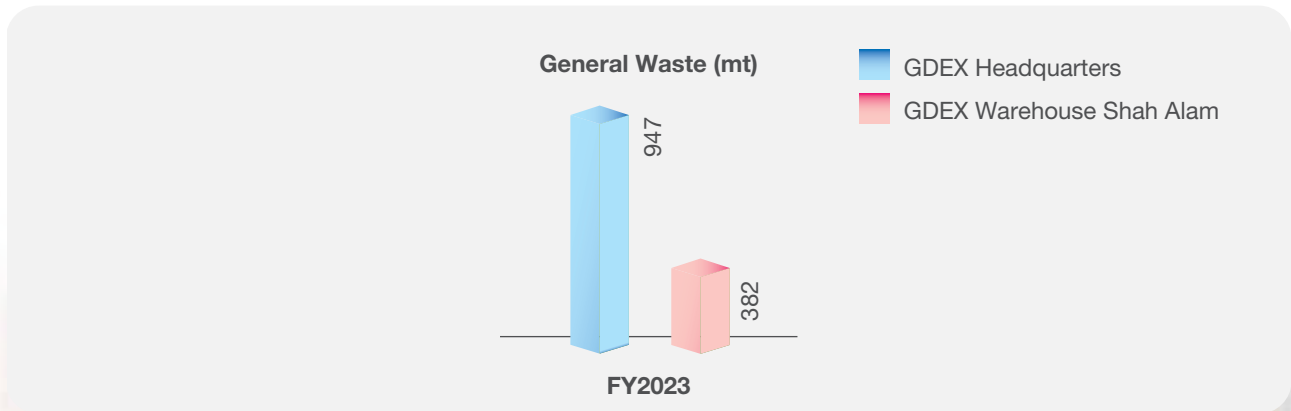
In FY2023, as a testament to our dedication to sustainability, we began to disclose our total water usage across the Group’s core operations in Malaysia. Our records show a consumption of approximately 63,069m³ of water. GDEX remains steadfast in our commitment to conscientiously manage our water usage. This commitment is reflected in our ongoing efforts to involve and educate our employees on the importance of water conservation. Bulk of the water consumed within our operations is utilised for domestic purposes. This initiative not only supports our environmental objectives but also fosters a culture of responsibility and efficiency regarding natural resources among our workforce.

CORPORATE SUSTAINABILITY REPORT

cont'd

Waste and Effluents

GDEX places utmost importance on ensuring the safe disposal of our waste in compliance with the Environmental Quality (Scheduled Waste) Regulation 2005. We are pleased to announce that GDEX had not incurred any environmental-related incidents, fines, or penalties in 2023. We have adopted the best practices of conducting stringent and regular reviews to continually enhance our environmental compliance and management practices. For example, we have a dedicated waste disposal shed designed specifically for the safe storage and disposal of petroleum and lubricant wastes, with a scheduled waste disposal programme.

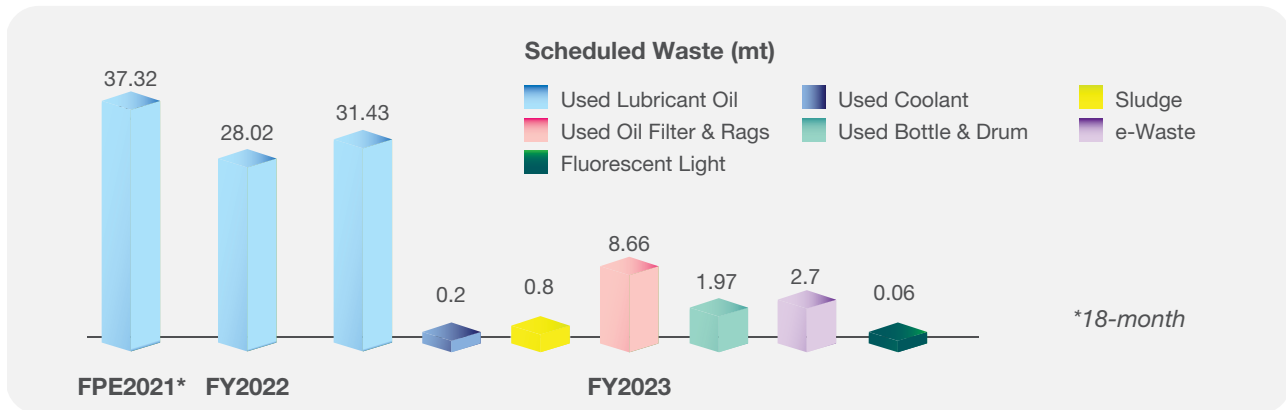


We have rigorously upheld our waste management procedures, resulting in total general waste of approximately 1,328 metric tonnes in FY2023. In addition, the total oil waste disposal of 31.43 metric tonnes represents a modest increase from the 28.02 metric tonnes reported in FY2022, primarily attributed to an uptick in our business activities. In line with our dedication to transparent and responsible waste management, starting from FY2023, we are also disclosing figures for other types of scheduled waste, including used coolant (0.20 metric tonnes), sludge (0.80 metric tonnes), used oil filter and rags (8.66 metric tonnes), used bottles and drums (1.97 metric tonnes), electronic waste (2.70 metric tonnes), and fluorescent light tubes (0.06 metric tonnes). GDEX is steadfast in our commitment to effective waste management practices, aiming to further reduce our environmental footprint through reduced waste disposal.



CORPORATE SUSTAINABILITY REPORT

cont'd



Reduce, Reuse, and Recycle (3R)

Moreover, with the continuity of sustainable practices, we successfully recycled a total of 34,319.3 kg of paper in FY2023. This collected amount of recycled paper has increased by 18.4% as compared to FY2022 which amounted to 28,993 kg. Furthermore, we actively engage in recycling our carton boxes. In the reporting year, we recycled a total of 126,460 kg of carton boxes, an increase of 5,640 kg compared to FY2022, where we recycled 120,820 kg. This achievement stems from our monthly initiative to collect outdated documents from the GDEX headquarters and branches, as well as carton boxes from our warehouse, which are then sent to a third-party recycler for recycling. In addition, employees are regularly encouraged to utilise online platforms for report submissions and correspondence to further reduce paper consumption.

SOCIAL

Our commitment to customers

At GDEX, our ethos lies in resilience, which drives us towards excellence in every aspect of our operations. Built upon our foundational GDEX philosophy introduced since 2020, we uphold the principles of the 4P's and 1S, charting a course for GDEX's continued evolution and success. Thus, our dedication to delivering exceptional services to our customers is unwavering, driven by our belief that their satisfaction is paramount to our business's success.

We maintain ongoing engagement with our customers, actively seeking their feedback and diligently monitoring our services to uphold the highest standards. Our commitment to accessibility is evident in the continual improvement of our GDEX Point of Presence ("POP") outlets, strategically positioned in neighbourhoods for the convenience of our customers. As our expansion journey progresses, we remain steadfast in our commitment to revitalising our branches, crafting welcoming environments that foster positive interactions with our staff.

CORPORATE SUSTAINABILITY REPORT

cont'd

OUR CORE VALUES



Customer Satisfaction

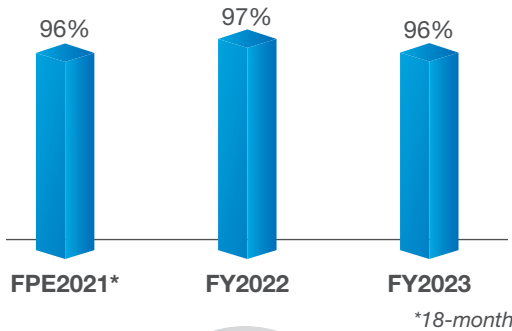
Each year, we perform a comprehensive customer satisfaction survey to assess our service performance and ensure that we meet the expectations of our esteemed customers. This survey serves as a pivotal tool in safeguarding our business reputation and evaluating the performance of our services. We continue to deliver our best services and achieved a 95% satisfaction rating for overall evaluation, 96% for delivery experience 92% for online experience, and 90% for customer service.

CORPORATE SUSTAINABILITY REPORT **cont'd**

FY2023 Customer Satisfaction Survey

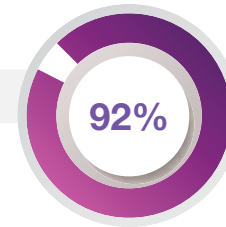
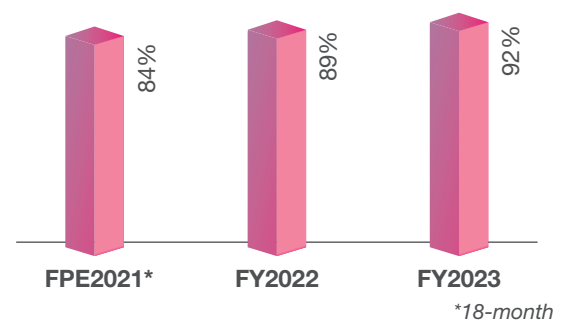
Delivery Experience

Of customers are satisfied with overall performance of delivery services

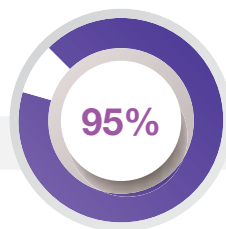


Online Experience

Of customers are satisfied with overall performance of digital platforms

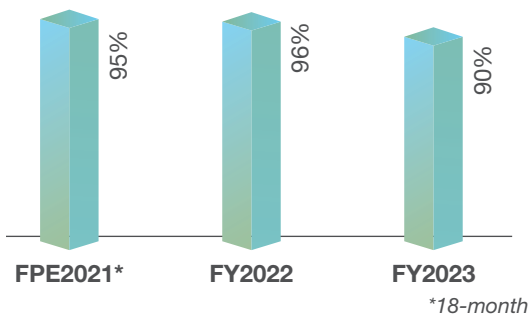


Overall
Satisfaction
2,475
Respondents



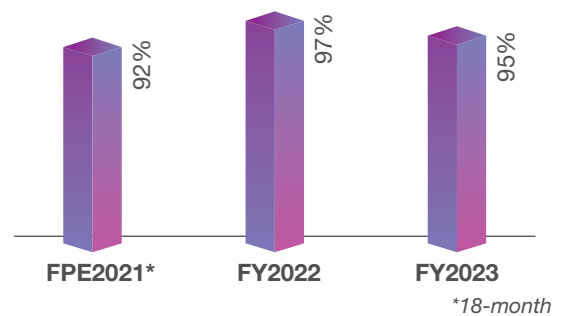
Customer Service

Of customers are satisfied with overall performance of service quality



Overall Evaluation

Of customers are satisfied across all aspects



CORPORATE **SUSTAINABILITY REPORT**

cont'd

Our employees

At GDEX, we hold our employees in the highest regard, recognising them as our most valuable asset. It is our steadfast commitment to ensure that each employee is treated with fairness and respect. As a socially responsible business, we diligently uphold this principle by implementing exemplary employment practices and fostering active dialogue with our employees.

We believe in recognising the significant contributions of our employees to the advancement of our organisation. To this end, we offer a range of incentives and benefits aimed at valuing their dedication. These include competitive remuneration packages, performance bonuses, and rewards based on achievements. We also prioritise career development, providing ample opportunities for growth and advancement, supported by comprehensive upskilling training programmes. Additionally, we extend medical benefits to safeguard the health and well-being of our employees.

In FY2023, GDEX organised a series of GDEX Day events at every GDEX branch, including GDEX Headquarters. Several senior management personnel from the headquarters were each posted to visit a GDEX branch or region to celebrate GDEX Day. At the GDEX Headquarters, the GDEX Day theme was 'Back to School', which served as a reminder to everyone present that the pursuit of knowledge is indeed a lifelong journey. The GDEX Day celebrations across all GDEX branches provided the opportunity for GDEX employees to bond with one another, while interacting with the visiting senior management personnel from the GDEX Headquarters. In a move to ensure that all mid-management and senior management personnel are aligned to the GDEX 2.0 strategy and roadmap, a series of 'Happy Lunch' was held in FY2023, which serves as a large group meal and sharing session with the Managing Director/Group Chief Executive Officer, Mr Teong.

Moreover, GDEX wholeheartedly embraces the pillars of International Human Rights: Protect, Respect, and Remedy. We steadfastly uphold equal opportunity for all employees, irrespective of any differences, and place a strong emphasis on honouring their dedication and hard work. We are pleased to announce that there were no reported cases related to human rights violations in FY2023. The welfare and benefits of our employees are clearly delineated in the Employee Handbook, ensuring transparency and fairness across the board. We advocate for a healthy work-life balance among our employees by implementing comprehensive scheduling practices that prevent excessive working hours for each individual. We also adhere rigorously to our Child Labour Policy, which we strictly only employ individuals aged 18 and above. This commitment aligns with global endeavours to combat child and forced labour. Additionally, our recruitment policy is fully compliant with the Employment Act 1955, and all our policies and practices adhere strictly to government regulations and the national minimum wage policy.



CORPORATE SUSTAINABILITY REPORT

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Employee Diversity

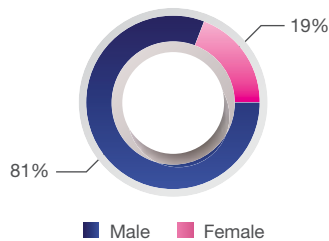


Total of
3,544
Employees

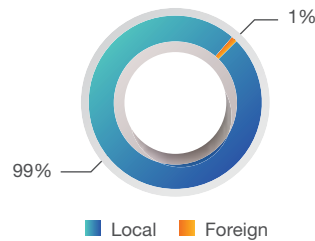
1 disabled employee

86 temporary or contract employees

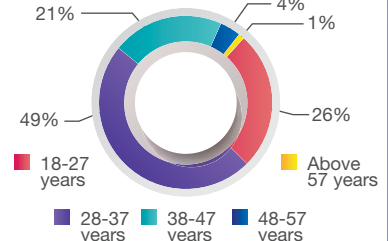
By Gender



By Nationality



By Age

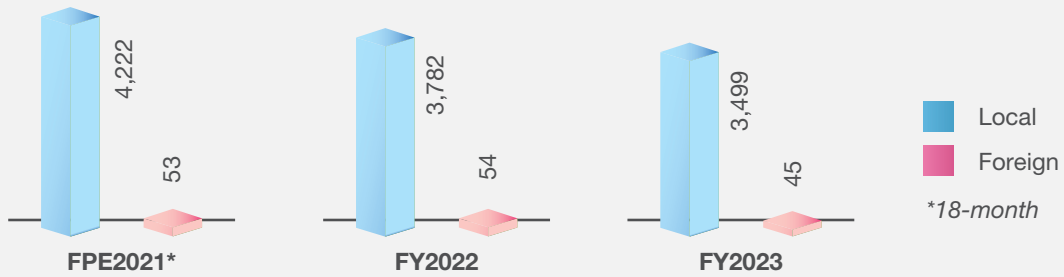


We value and respect the unique contributions and competencies of each individual, as they collectively contribute to providing the highest quality services to our customers. In FY2023, our overall workforce comprised 3,544 employees, with 3,499 being local hires and 45 consisting of non-local and contract staff. We remain dedicated to supporting local talent, particularly by hiring unemployed youths to bolster the local economy and community. It is important to note that GDEX does not engage in discrimination during the recruitment process. The majority of our workforce (81%) are male employees, with the remaining (19%) female; mainly due to the nature of our express delivery and logistics services, which is relatively labour intensive.

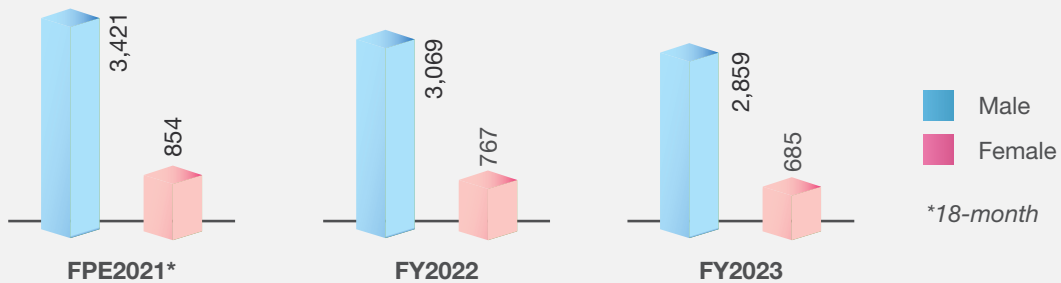
CORPORATE SUSTAINABILITY REPORT

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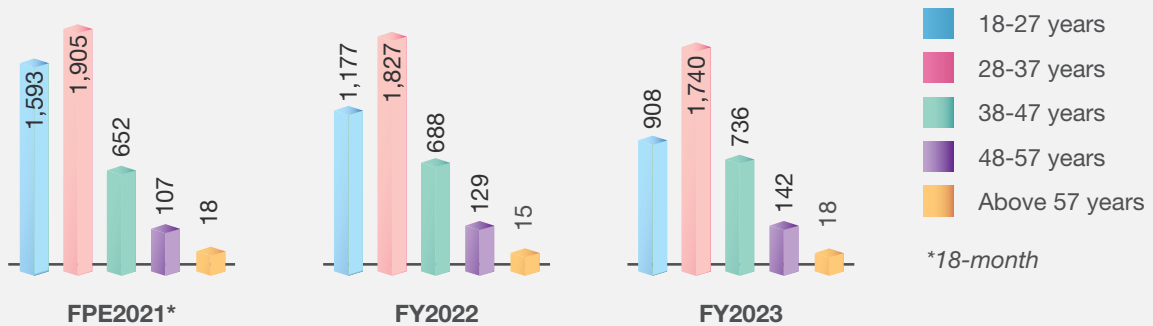
Distribution of Employees: Nationality



Distribution of Employees: Gender



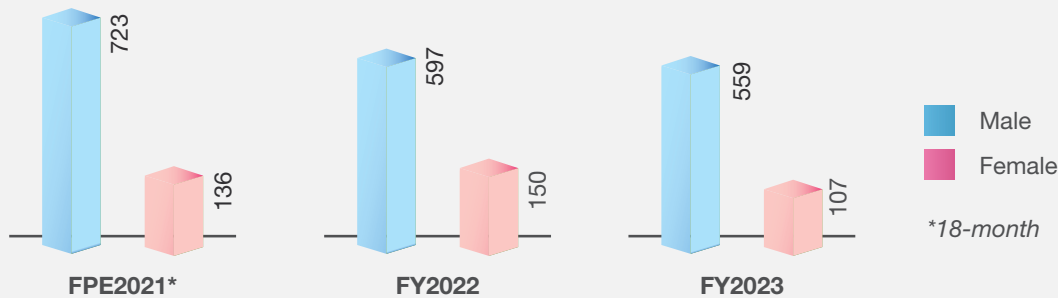
Distribution of Employees: Age



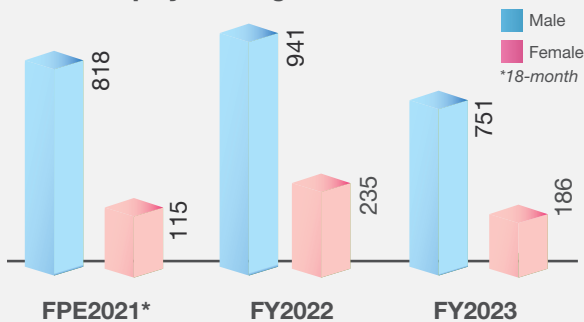
CORPORATE SUSTAINABILITY REPORT

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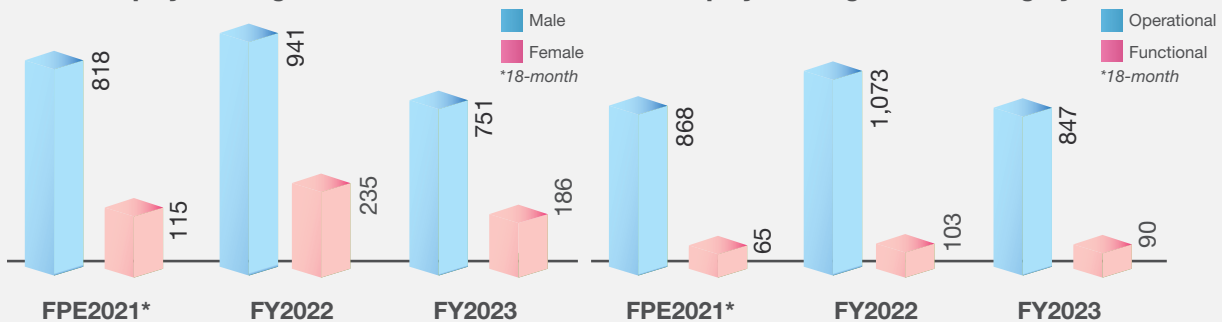
New Hires: Gender



Employee Resignations: Gender



Employee Resignations: Category



In FY2023, our company welcomed a total of 666 new hires, consisting of 559 males and 107 females. Throughout the same fiscal year, we saw a total of 937 employee resignations. This represents a decrease in the number of resignations, as compared to FY2022, which can be attributed to our efforts in fostering a positive company culture and providing opportunities for professional growth development. Furthermore, our commitment to listening to and addressing employee concerns and feedback play a vital role in creating a more engaging and supportive work environment, thereby reducing the inclination of employees to seek career opportunities elsewhere. As an organisation committed to inclusivity and non-discrimination, we actively welcome adults with disabilities and those without formal education to contribute their skills and talents to GDEX. In total, we have employed 1 employee with disabilities while another 86 (2.43%) are engaged as contract or temporary staff.

Furthermore, the Whistleblowing Governance Unit serves as an avenue for employees to report any cases of discrimination or unwelcomed workplace behaviour. We actively promote a culture where employees feel empowered to voice their concerns and grievances to top management without fear. We promise to uphold strict confidentiality regarding all reports deemed significant and conduct thorough formal investigations where necessary. We are pleased to announce again that we record no incidents of discrimination or violations of child labour and forced labour in FY2023.

CORPORATE SUSTAINABILITY REPORT

cont'd

Talent Development and Retention

We continue to foster active engagement among our employees by providing various platforms for interaction through learning and workforce development initiatives. Besides organising learning courses, we hosted sessions where executives, from supervisory level onward, come together to share experiences and discuss GDEX's plans and direction. This ensures alignment and unity among employees, guiding them along the same path as the Group.

The GDEX Academy remains dedicated to offering school leavers and GDEX employees the chance to undertake industrial training, leading to a professional certificate in logistics and express delivery. We take pride in the ongoing support and collaboration that we receive from the Ministry of Human Resources' Department of Skills Development, adhering strictly to the National Occupational Skill Standard for Courier Operations Service Syllabus.

The curriculum of our training modules and educational programmes are developed in partnership with *Pembangunan Sumber Manusia Berhad* ("PSMB"), aiming to enrich our employees' knowledge and keep them updated on the latest technological advancements and policy changes that foster their professional development.

In adherence to principles of good governance and ensuring comprehensive understanding among all employees regarding the importance of policy adherence, we regularly conduct training, workshops, and campaigns covering topics such as Human Resources, Anti-Bribery Management System, Whistleblowing Policy, Sexual Harassment, Health, and Safety Operational Procedures.

Occupational Safety and Health

Ensuring the safety and well-being of all GDEX employees is our foremost concern. As our operations are heavily reliant on vehicles and machinery, it is vital that a comprehensive safety policy is implemented, aimed at safeguarding the welfare, health, and safety of our workforce. This commitment extends to our contractors, customers, and external stakeholders, underlining our dedication to holistic safety measures. To ensure adherence to all policies, the Group's Safety and Health committee has been established to oversee the full compliance of all safety policies and maintain a secure work environment. Should any accidents or incidents occur, an independent investigation will be conducted to ascertain the root cause and devise mitigation measures aimed at preventing the recurrence of similar incidents in the future.

Given the dynamic nature of our business, continual expansion and the opening of new branches are integral processes of GDEX's operations. Consequently, for every new branch opening, relocation, or expansion, the Group adheres to best practices by establishing a Network Committee to work closely with the Group's Safety and Health Committee as outlined in the Branch Set-Up Flow and documented within ISO guidelines. This is aimed at ensuring that the safety, health, and labour measures are also being practised and implemented at the branch level. In line with this commitment, GDEX consistently conducts training sessions and safety awareness programmes as detailed below.

In FY2023, we conducted 14 safety-related training sessions for 273 employees, alongside general training sessions attended by 5,921 employees, accumulating to a total of 30,716 training man hours. These general sessions encompassed safety training, among other topics, fostering a culture of responsibility and safety across our workplace.

CORPORATE SUSTAINABILITY REPORT

cont'd

List of Safety and Health Training

1	Defensive Riding & Maintenance
2	Defensive Riding for Motor Couriers
3	Ergonomics & Manual Handling
4	Forklift Safety and Certification Training
5	First Aider with AED and CPR Skill Training
6	Reach Truck & Power Pallet Training
7	Dangerous Goods Training
8	Conducting Effective HIRARC Training
9	Spill Drill Training
10	Schedule Waste Management Training
11	Radiation Safety Awareness Refresher Course
12	Scheduled Waste Minimisation and Cost Reduction
13	Scheduled Waste Inventory and Area Inspections
14	Crash Investigation Training

The number of accidents cases that happened at workplace has reduced from 18 cases in FY2022 to 9 cases in FY2023. We are pleased to disclose that during the fiscal year, there were no recorded cases of fatalities. This is due to the strict enforcement of safety policies, coupled with comprehensive safety training provided to our entire workforce. Our total lost time incident rate remained low, with a recorded rate of 0.92 in FY2023. According to the Occupational Safety and Health Act (“OSHA”) 1994, Lost Time Incident is defined as work-related injuries resulting in the loss of productive work time, encompassing both employees and contractors. We remain committed to upholding these policies to further reduce incidents in the upcoming reporting year, in alignment with the Department of Occupational Safety and Health (“DOSH”) campaign on Vision Zero.

This year, we recorded 1 theft case, a decrease from the 8 cases reported in FY2022. Our commitment extends beyond theft prevention to addressing issues such as violence, harassment, intimidation, and any unsafe or disruptive behaviour. To bolster security across our operations, strategic locations are equipped with security cameras. Moreover, 24-hour security patrols have been implemented throughout our premises to ensure the safety of all employees. Additionally, we implement a range of safety precautions including safety lanes, prominently displayed hazard labels and signs, as well as clear handling procedure instructions. These measures exemplify GDEX’s unwavering dedication to maintaining a safe and healthy workplace environment.



LOST TIME INCIDENT RATE

(per one million man hours)

1.88

FPE2021

0.81

FY2022

0.92

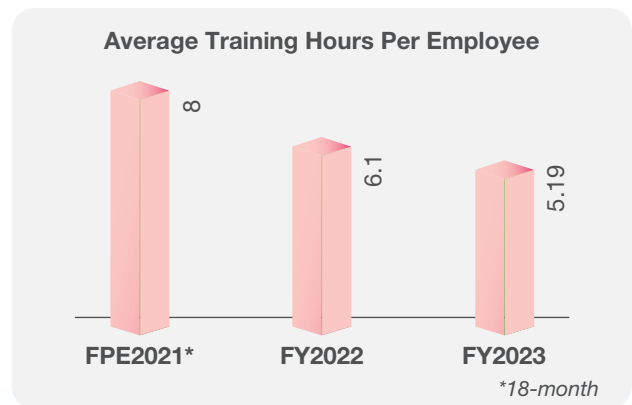
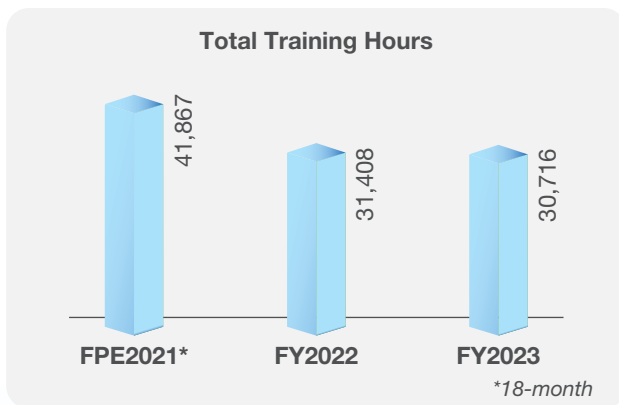
FY2023

CORPORATE SUSTAINABILITY REPORT

cont'd

Learning and Development

The Group's Multimedia Remote Learning ("MMRL") programme continues to offer a wide range of valuable training resources with the aim of enhancing the skills of our employees, across the nation. In FY2023, we conducted 30,716 total training man hours with an average of 5.19 training hours per employee.



BURSA MALAYSIA

SUSTAINABILITY PERFORMANCE REPORT 2023

Indicator	Measurement Unit	2023
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	18,719.47
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	1,426.40
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	65.32
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	2,438.30
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	1,534.59
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	206.59
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	1,328.00
Total costs of environmental fines and penalties during financial year	MYR	0.00
Percentage of sites covered by recognized environmental management systems such as ISO14001 or EMAS	Percentage	97.00
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	63.069000
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Functional 18-27	Percentage	19.86
Functional 28-37	Percentage	48.08
Functional 38-47	Percentage	23.34
Functional 48-57	Percentage	6.97
Functional Above 57 years	Percentage	1.74
Operational 18-27	Percentage	26.13
Operational 28-37	Percentage	49.19
Operational 38-47	Percentage	20.54
Operational 48-57	Percentage	3.75
Operational Above 57 years	Percentage	0.40
Gender Group by Employee Category		
Functional Male	Percentage	47.74
Functional Female	Percentage	52.26
Operational Male	Percentage	83.11
Operational Female	Percentage	16.89
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	70.00
Female	Percentage	30.00
30-39	Percentage	10.00
40-49	Percentage	10.00
50-59	Percentage	20.00
60 and above	Percentage	60.00
Number of Board Directors	Number	10
Number of independent Directors on the board	Number	5
Number of women on the board	Number	3

SUSTAINABILITY PERFORMANCE REPORT 2023

cont'd

Indicator	Measurement Unit	2023
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	122,263.34
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	5,282
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.92
Bursa C5(c) Number of employees trained on health and safety standards	Number	273
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Functional	Hours	4,879
Operational	Hours	25,837
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2.40
Bursa C6(c) Total number of employee turnover by employee category		
Functional	Number	90
Operational	Number	847
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	97.50
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Functional	Percentage	95.47
Operational	Percentage	88.06
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	97.20
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Disclosure of total amount of political contributions made	MYR	0.00
Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies	Number	0
Disclosure of cost of fines, penalties or settlements in relation to corruption	MYR	0.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0





























CORPORATE SUSTAINABILITY REPORT

cont'd

Engaging and Empowering Communities

We actively invite the local community to participate in the GDEX enterprise development programme as part of our dedication to engaging and empowering communities transcends our core business activities. This programme facilitated through initiatives such as G-Partner and a crowdsourcing programme known as KITA. Through these strategic collaborations, our aim is to bolster the local economy by fostering entrepreneurship and supporting young entrepreneurs who will play a vital role in local business development and job creation.

In FY2023, we have impacted 5,282 individuals through our various Corporate Social Responsibility (“CSR”) events with a total investment of RM122,263.34, as summarised in the table below:

Date	Programme	SDGs
13 th April 2023	Program Iftar Bersama Anak-Anak Pusat Jagaan Telaga Kasih Nur Muhammad in conjunction with Ramadhan	  
12 th June 2023	GDEX Technovate Lab Launch at Universiti Tunku Abdul Rahman (“UTAR”) Kampar Campus	 
1 st August 2023	GDEX Here for You programme for Persatuan Insan Istimewa Cheras	  
31 st August 2023	National Day Parade	
14 th September 2023	GDEX No Bully, No Drugs	   
19 th September 2023	Cybersecurity solutions sponsorship for UTAR	 
14 th October 2023	Kechara Soup Kitchen Society	   
16 th October 2023	Serdang Kickers Football Club under 12 team	  
23 th October 2023	GDEX Beach Cleaning	     

CORPORATE SUSTAINABILITY REPORT cont'd



Program Iftar with the Children of Pusat Jagaan Telaga Kasih Nur Muhammad

The GDEX team was filled with joy and compassion as we shared the blessings of Ramadhan with the children at Pusat Jagaan Telaga Kasih Nur Muhammad orphanage, as we extended a heartfelt invitation to break their fast at Al-Rawsha Arabic Cuisine. The event was a resounding success, with a total of 40 children partaking in the breaking of fast celebration. It was a heartwarming sight to witness their excitement and gratitude as they enjoyed a delicious meal in the company of their newfound friends – the GDEX team. To make the event even more special, the children were pleasantly surprised to receive thoughtful gifts and Raya packets, adding an extra layer of joy and delight to their Ramadhan experience.



CORPORATE SUSTAINABILITY REPORT

cont'd



GDEX: Here For You

During our visit to Persatuan Insan Istimewa Cheras, a facility dedicated to providing professional care for young individuals with special needs, we had the opportunity to witness firsthand the incredible work being done to improve the lives of these residents. The atmosphere was filled with warmth and compassion as we interacted and shared a meal with the 43 individuals who call this place home. We also donated rehabilitation equipment and daily necessities to the home.



CORPORATE SUSTAINABILITY REPORT

cont'd



No Bully, No Drugs

GDEX collaborated with Polis Diraja Malaysia (“PDRM”), Ibu Pejabat Polis (“IPD”) Petaling Jaya, and Jabatan Penjara Malaysia to organise the ‘No Bully, No Drugs’ campaign at Sekolah Menengah Kebangsaan (Lelaki) Bukit Bintang, Petaling Jaya. Over 400 students and teachers took part in this campaign, pledging to combat bullying and drugs by fostering a positive environment through acts of kindness, acceptance, and inclusion.



CORPORATE SUSTAINABILITY REPORT

cont'd

GDEX x Kechara Soup Kitchen Society

GDEX actively participated in the transportation and distribution of goods to individuals in need within the local community through collaborations with other organisations to empower communities. Our dedicated team successfully delivered and distributed a wide range of essential household items to multiple locations across Kuala Lumpur, ensuring that those who required assistance received the support they needed. By extending our reach and coordinating with various partners, we were able to make a significant impact in providing aid to those who were most vulnerable and affected by challenging living circumstances.



GDEX Beach Cleanup

Aligned with GDEX's dedication to combating climate change through proper waste management, we organised the GDEX Beach Cleanup event at Bagan Lalang Beach in Sepang, Selangor. Through this initiative, we successfully collected a total of 400.2 kg of diverse waste types. Notably, the largest portion of this waste, totalling 285.5 kg, was attributed to agricultural waste. The other waste included paper, plastic, agricultural waste, and a staggering 821 pieces of discarded cigarette butts that were found scattered along the beach. Through this initiative, GDEX has contributed to the preservation of the natural beauty of our coastlines, promoting a cleaner and healthier environment for all.

CORPORATE SUSTAINABILITY REPORT

cont'd



CORPORATE SUSTAINABILITY REPORT

cont'd



Our Commitment to the Nation

GDEX is thrilled to announce that our esteemed Van Supervisor, Mr Saifullizam bin Samsudin, has been honoured as a Finalist for the prestigious Courier Industry Staff Excellence Award. This distinguished recognition was presented by the respected Communications and Digital Minister Yang Berhormat Fahmi Fadzil. GDEX extends our gratitude towards the Association of Malaysian Express Carriers (“AMEC”) and Postal Forum for organising such a commendable event.

Apart from that, GDEX was recognised for its role in myKurier Criteria Simulation Session, coordinated by the Postal Forum and AMEC, together with the Malaysian Institute of Road Safety Research (“MIROS”). The myKurier initiative strives to enhance postal and courier service standards in Malaysia by focusing on safety, workplace conditions, and delivery performance, which are vital to customer satisfaction and trust. Through myKurier, which acts as both a benchmark and a selection guide, this initiative is expected to spur healthy competition among courier service providers, prompting service enhancements. GDEX’s involvement signifies its pledge to service quality and superior customer experience.

CORPORATE SUSTAINABILITY REPORT CONT'D

During the National Day Parade held in conjunction with Malaysia's 66th Independence Day celebrations, GDEX marched alongside our fellow courier service industry peers as part of the Association of Malaysian Express Carriers ("AMEC") Contingent. This marked the first time that major courier industry players had the opportunity to participate in the National Day Parade, showcasing our unwavering dedication and steadfast commitment to serving the nation.

Additionally, GDEX places a strong emphasis on nurturing young talents as part of our commitment to SDG 4: Quality Education. In line with this goal, GDEX inaugurated the GDEX Technovate Lab at Universiti Tunku Abdul Rahman ("UTAR") Kampar campus on 12th June 2023. The Technovate Lab is designed to foster collaboration and innovation between industry and academia, providing UTAR students with opportunities to acquire knowledge and skills in key technological areas within the fields of Information Technology and Logistics.

The GDEX Internship Programme is another good initiative where we engage with the youth. This initiative aims to create a platform for young individuals to access learning opportunities on the job and employment prospects, catering to undergraduates and recent graduates. Furthermore, the internship programme enables participants to enhance their professional and leadership skills. The Group's internship program is offered at the GDEX Headquarters.

As per our policy, the Group refrained from contributing or donating to any political parties or non-profit organisations.

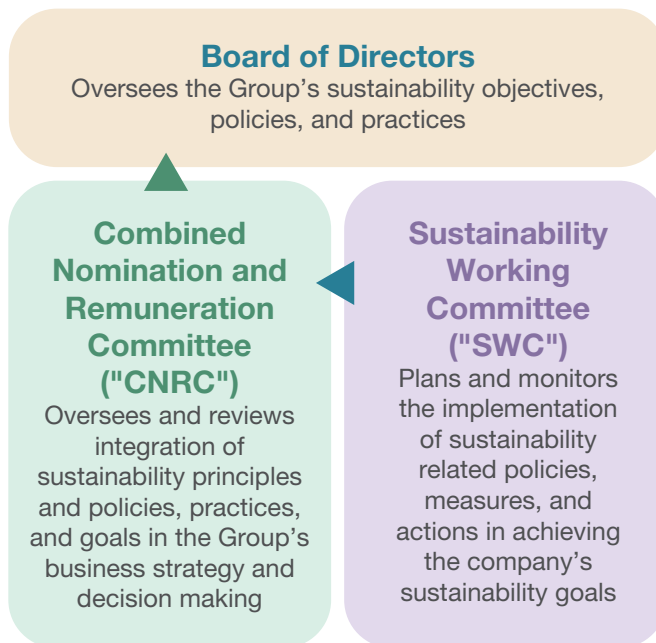


CORPORATE SUSTAINABILITY REPORT

cont'd

GOVERNANCE

With the three crucial pillars of sustainability in mind – Economic, Environmental, and Social (“EES”), the Board of Directors guides the Group’s sustainability direction and objectives, instilling sustainability governance across the organisation. Furthermore, the Board actively oversees the cultivation of a robust and committed sustainability culture within the organisation, aided by the support of two main committees: the Combined Nomination and Remuneration Committee (“CNRC”) and the Sustainability Working Committee (“SWC”). The CNRC includes three Board representatives to ensure the achievement of targeted sustainability initiatives that are outlined for the particular year.



Governance

At GDEX, we prioritise robust corporate governance, recognising its pivotal role in driving the successful attainment of our sustainability objectives. A sound governance framework empowers our Board of Directors to engage in strategic planning, essential for realising our sustainability goals. Thus, the Board is dedicated to embedding sustainability as a core agenda across the Group and take full accountability by employing a top-down approach to sustainability.

We remain steadfast in adhering to the highest standards and best practices set forth by the Malaysian Code on Corporate Governance (“MCCG”), Minority Shareholders Watch Group (“MSWG”), Corporate Governance Scorecard, FTSE4GOOD Bursa Malaysia Index, and Bursa Malaysia Corporate Governance Guide. Our comprehensive Corporate Governance Report can be accessed on our website at www.gdexpress.com.

Data Security and Privacy

With the advancement of technology, GDEX has deployed advanced Artificial Intelligence and Machine Learning-powered cybersecurity solutions in safeguarding the privacy of our customers, vendors, and employees’ data. We remain dedicated to continual improvement, ensuring a secure environment for our customers and the protection of their private information. We continue to perform regular reviews of cybersecurity management and mitigation strategies, ensuring strict compliance with all relevant regulations. In FY2023, there were no reported complaints regarding the leaking of customers, vendors, and employees’ data.

The Group is in the midst of obtaining the ISO 27001:2022 Standard for Information Security Management Systems (“ISMS”), which is expected to be achieved in FY2024.

CORPORATE SUSTAINABILITY REPORT

cont'd

Anti-Bribery and Anti-Corruption

Since 2020, the Group has implemented the Anti-Bribery and Corruption Policy Statement and No Gift Policy which comply to the Main Market Listing Requirement of Bursa Malaysia Securities Berhad. These policies are applicable to all GDEX Directors, employees, and any third parties engaged with by the company. This is part of our commitment in fostering a culture grounded with ethics, integrity, and reliability throughout our business operations in compliance with the ISO 37001:2016 Anti-Bribery Management System. We maintain a steadfast zero-tolerance approach towards bribery and corruption.

At GDEX, the Anti-Bribery and Corruption Committee is tasked with supervising the implementation of GDEX Anti-Bribery Management System. This committee maintains direct access to the Board and management for addressing issues pertaining to bribery and corruption. In addition, the No Gift policy explicitly prohibits GDEX employees from soliciting, accepting, or offering any gifts, offers, entertainment, corporate hospitality, or anything of monetary value to or from any parties with direct or indirect dealings with the GDEX. Simultaneously, the Whistleblowing policy delineates the standardized procedures for any whistleblower to lodge a complaint or report. All these policies are accessible to public on our corporate website at www.gdexpress.com.

With the dedication of the entire GDEX community, we are pleased to announce that in FY2023, there were no reported cases of corruption. This positive outcome is mainly driven by the Group's commitment in consistently engaging with our employees through regular training sessions on Anti-Bribery and Anti-Corruption measures. To date, we have trained 3,142 employees in total, accounting to 81% of the total employees, on Anti-Bribery and Anti-Corruption. Moving forward, we remain committed to upholding good governance across the GDEX Group.

Regulatory Compliance and Engagement

The Group aligns with the latest regulations and guidelines issued by various authorities and regulatory bodies, underscoring our dedication to fostering good governance within the GDEX Group. We actively engage with ministries, regulators, government agencies, and organisations. The following list is a summary of all engagement activities that the Group has participated in during FY2023.

List of Engagement Activities with Regulators and Associations FY2023

January	Event Title and Information	Regulators and Organisations
6 January 2023	Sesi Perjumpaan bersama Association of Malaysian Express Carriers <ul style="list-style-type: none"> Members discussed on ways to move forward together in the courier industry 	Association of Malaysian Express Carriers ("AMEC")

CORPORATE SUSTAINABILITY REPORT

cont'd

February	Event Title and Information	Regulators and Organisations
7 February 2023	<p>Mesyuarat bersama Pengarah Jabatan Siasatan Jenayah Narkotik</p> <ul style="list-style-type: none"> Discussion with industry players on how to manage illegal drug cases, where drugs are transported using courier service 	Polis Diraja Malaysia Bukit Aman (“PDRM”)
20 February 2023	<p>P-Hailing Regulations Meeting with Ketua Setia Usaha</p> <ul style="list-style-type: none"> Briefing by Ketua Setia Usaha (KSU) of MOT on the new P-Hailing regulations that will impact the last mile industry 	Ministry of Transport (“MOT”)

March	Event Title and Information	Regulators and Organisations
1 March 2023	<p>National E-Commerce Strategic Roadmap (NESR) Lab</p> <ul style="list-style-type: none"> An engagement programme where all industry players can contribute to the national target setting in the logistics industry and collectively agree to the targets set for the year 	<ul style="list-style-type: none"> Malaysia Digital Economy Corporation (“MDEC”) Malaysian Investment Development Authority (“MIDA”) Ministry of Investment, Trade and Industry (“MITI”) Ministry of Transport (“MOT”)
10 March - 12 March 2023	<p>Strategic Session Logistics Productivity Nexus</p> <ul style="list-style-type: none"> Three-day workshop and group session to identify challenges of the courier industry and establish a proposal plan of improvement to resolve the challenges 	<ul style="list-style-type: none"> Malaysia Productivity Corporation (“MPC”) Ministry of Transport (“MOT”) Malaysia External Trade Development Corporation (“MATRADE”) Academics from various universities in Malaysia

CORPORATE SUSTAINABILITY REPORT

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March	Event Title and Information	Regulators and Organisations
10 March 2023	Strategic Session Logistics Productivity Nexus: Business Roundtable Discussion 2022 <ul style="list-style-type: none"> • Discussion on improving Courier Service Industry Competitiveness • AMEC Policy Paper presentation 	<ul style="list-style-type: none"> • Malaysia Productivity Corporation (“MPC”) • Association Of Malaysian Express Carriers (“AMEC”)
15 March 2023	Roundtable Session with YB Minister Fahmi Fadzil, Minister of Communications <ul style="list-style-type: none"> • To tackle industry issues faced by the postal and courier industry, which employs some 175,000 local staff 	Ministry of Communications (“MOC”)
21 March 2023	AMEC Annual General Meeting (AGM) <ul style="list-style-type: none"> • GDEX Group CEO was re-elected as the President of AMEC 	Association Of Malaysian Express Carriers (“AMEC”)

May	Event Title and Information	Regulators and Organisations
31 May 2023	Craft to Commercial Strategy Session <ul style="list-style-type: none"> • To seek opportunities for courier industry in the craft industry in Malaysia 	Malaysia Digital Economy Corporation (“MDEC”)

June	Event Title and Information	Regulators and Organisations
13 June 2023	Digital Trade Platform Grand Launch <ul style="list-style-type: none"> • The launch of the Digital Trade Platform was officiated by YB Senator Tengku Zafrul Aziz, Minister of MITI 	<ul style="list-style-type: none"> • Malaysia External Trade Development Corporation (“MATRADE”) • Ministry of Investment, Trade and Industry (“MITI”)
14 June 2023	P-Hailing Workshop (Industry Engagement) <ul style="list-style-type: none"> • P-Hailing and courier industry players provided their input on the new upcoming implementation of P-Hailing regulations 	Ministry of Transport (“MOT”)

CORPORATE SUSTAINABILITY REPORT

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July	Event Title and Information	Regulators and Organisations
4 July 2023	Courier Industry Appreciation Day <ul style="list-style-type: none"> GDEX received a token of appreciation of participation for the myKurier criteria simulation session GDEX was selected as a Finalist of the Courier Industry Staff Excellence Award 	Postal Forum
4 July 2023	Participation in myKURIER Criteria Simulation Session 2023 <ul style="list-style-type: none"> myKURIER will be a benchmark and measuring tool for users to evaluate and choose the best service, in addition to creating a healthy competitive environment among courier service companies in Malaysia 	<ul style="list-style-type: none"> Malaysian Institute of Road Safety Research ("MIROS") Postal Forum
August	Event Title and Information	Regulators and Organisations
3 August 2023	Industry Engagement for Customer Service 2023 <ul style="list-style-type: none"> GDEX received an award for Best Complaint Management at the Industry Engagement for Customer Service 2023 for Postal & Courier Industry 	Postal Forum
9 August 2023	Removing the Risk of Wildlife Smuggling from Malaysia's Postal Services - A Best Practice Workshop <ul style="list-style-type: none"> A workshop that assists courier industry players to manage illegal wildlife transported via courier package 	<ul style="list-style-type: none"> TRAFFIC ("The Wildlife Trade Monitoring Network") Kementerian Sumber Asli dan Alam Sekitar ("KetSA") US Airports Department Bureau of International Narcotics & Law Enforcement ("INL")
10 August 2023	National Green Logistics Briefing Session & Survey 2.0 <ul style="list-style-type: none"> For business owners to share their implementation of environmental friendly practices and encourage logistics companies to implement environmental friendly practices in operations 	<ul style="list-style-type: none"> Ministry of Transport ("MOT") Malaysian Green Technology and Climate Change Corporation ("MGTC")

CORPORATE SUSTAINABILITY REPORT

cont'd

August	Event Title and Information	Regulators and Organisations
16 August 2023	Strategic Discussion on Postal Services Act 2012 Review <ul style="list-style-type: none"> Brainstorm session with industry players and discussion of the necessary changes to selected clauses in the Postal Services Act 2012 	Malaysian Communications and Multimedia Commission ("MCMC")
17 August 2023	Research Symposium 2023 <ul style="list-style-type: none"> To address the building blocks of MCMC's efforts to create a digital society, promote awareness, as well as understand societal participation 	Malaysian Communications and Multimedia Commission ("MCMC")
31 August 2023	National Merdeka Day Marching Parade <ul style="list-style-type: none"> Participated in the National Day Parade as an industry team along with other courier service companies 	Ministry of Communications ("MOC")

September	Event Title and Information	Regulators and Organisations
12 September 2023	Belanjawan 2024: Sesi Townhall Ekonomi Digital with Minister of Communications <ul style="list-style-type: none"> Townhall session on the ministry's budget allocation and challenges faced 	Ministry of Communications ("MOC")

October	Event Title and Information	Regulators and Organisations
9 October 2023 - 12 October 2023	Capacity Development Conference 2023 <ul style="list-style-type: none"> A series of tailor-made, in-house sessions by MCMC Academy and subject matter experts; focusing on topics such as the wireless technology ecosystem, regulatory requirements, industry development, as well as relevant MCMC roles and functions that support and realise Malaysia's digital economy objectives 	Malaysian Communications and Multimedia Commission ("MCMC")
16 October 2023	Cybersecurity for Postal & Courier Industry Workshop <ul style="list-style-type: none"> To raise the awareness of cybersecurity in general and applying cybersecurity enhancement in the courier industry 	Postal Forum
19 October 2023	The State of E-commerce Retail: A Pulse Check For 2023 <ul style="list-style-type: none"> Sharing session on the experience of e-commerce platform business owners 	Malaysia Digital Economy Corporation ("MDEC")

CORPORATE SUSTAINABILITY REPORT

cont'd

November	Event Title and Information	Regulators and Organisations
1 November 2023	<p>Majlis Perjumpaan Pengarah Jabatan Siasatan Jenayah Narkotik</p> <ul style="list-style-type: none"> To brief and update industry players on the cases of illegal drugs transported via courier service To award industry players that fully cooperated with Bukit Aman Police Department to nab those who send or receive drugs via courier service 	Polis Diraja Malaysia Bukit Aman (“PDRM”)
27 November 2023 - 28 November 2023	<p>Transport Safety & Security for Biological Products for Courier Service Providers and Transport Operators 2023 Workshop</p> <ul style="list-style-type: none"> Learning to transport biological products safely and securely via courier service Identify courier industry challenges in managing biological products 	<ul style="list-style-type: none"> World Health Organization (“WHO”) Ministry of Health (“MOH”) Institute of Medical Research (“IMR”) National Pharmaceutical Regulatory Agency (“NPRA”)
27 November 2023 - 28 November 2023	<p>Handling Difficult Consumers & Having Effective Communication</p> <ul style="list-style-type: none"> To assist customer service personnel in managing all kinds of communications and different types of customers 	Malaysian Communications and Multimedia Commission (“MCMC”)
29 November 2023	<p>Persidangan PEDi Madani 2023 with Prime Minister of Malaysia</p> <ul style="list-style-type: none"> To establish network with all Pick-Up Drop Off (PUDO) centres @ Pusat Ekonomi Digital (PEDi) across all states in Malaysia To promote GDEX PUDO to all 	<ul style="list-style-type: none"> Prime Minister’s Office (“PMO”) Malaysian Communications and Multimedia Commission (“MCMC”)

CORPORATE SUSTAINABILITY REPORT

cont'd

December	Event Title and Information	Regulators and Organisations
7 December 2023	Handling Dangerous Goods Training <ul style="list-style-type: none"> • Refresher course on the Dangerous Goods Act, procedures, and handling processes 	Postal Forum
12 December 2023	Strategic Discussion on ISO 23412 in Malaysia <ul style="list-style-type: none"> • Planning session on raising awareness of ISO 23412:2020 Indirect, temperature-controlled refrigerated delivery services 	<ul style="list-style-type: none"> • Malaysian Investment Development Authority (“MIDA”) • Ministry of Transport (“MOT”) • Malaysian Communications and Multimedia Commission (“MCMC”) • Association of Malaysian Express Carriers (“AMEC”) • Jabatan Standard Malaysia (“JSM”)
13 December 2023	Spearhead E-Commerce Innovation, an E-Commerce Industry Roundtable <ul style="list-style-type: none"> • To identify opportunities and challenges of driving impact in e-commerce innovation 	Malaysia Digital Economy Corporation (“MDEC”)

Conclusion

Our business remains committed to the path of sustainability, as we explore green initiatives that are in line with the worldwide pledge to achieve net-zero carbon emissions by 2050. Moreover, we are dedicated to enhancing our business’ sustainability and performance by focusing on strong governance and social responsibility, with the aim to enhance returns for our stakeholders.



AWARDS, CERTIFICATIONS, AND MEMBERSHIPS



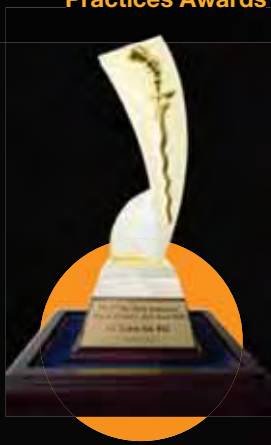
- **2023 Industry Engagement for Customer Service 2023 for Postal & Courier Industry** – GOLD medal for Best Complaint Management
- **2023 The World CIO 200 Summit by Global CIO Forum** – Legend title at The World CIO 200 Awards
- **2023 IDC Future Enterprise Awards** – IDC's Best in Future of Trust 2023 (Malaysia)
- **2023 Excellence Reverse testing Centre Award** – Delivery performance
– Warehouse performance



- **2021 MCMC Star Rating Awards** – Top 3 Overall Delivery Performance
- **2021 MCMC Star Rating Awards** – Best Delivery Performance for Peninsular Malaysia
- **2021 Certificate of Recognition ("EPF")** – Best Electronic E-Payment Employer Award



- **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



AWARDS, CERTIFICATIONS, AND MEMBERSHIPS

cont'd

2017

- **2017 MCMC Campaign #SampaiDenganSelamat** — *Champion – Lorry Category*
— *3rd Place – Rider Category*

2016

- **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*
- **2016 E-Commerce Delivery Awards (“MCMC”)** — *Road Safety Excellence Award – Top 3 Riders*

2015

- **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*
- **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

- **2014 Certificate of Recognition (“EPF”)** — *Best Employer 2014 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

- **2013 Frost & Sullivan Malaysia Excellence Awards**
— *Domestic Express Service Provider of the Year - Private Sector*

List of Memberships and Associations

1. The Chartered Institute of Logistics and Transport (“CILT”)
2. Malaysia-Japan Economic Association (“MAJECA”)
3. Federation Of Malaysian Manufacturers (“FMM”)
4. Association of Malaysian Express Carriers (“AMEC”)
5. The Japanese Chamber of Trade & Industry, Malaysia (“JACTIM”)
6. Malaysia-China Chamber of Commerce (“MCCC”)
7. Malaysia Chamber of Commerce and Industries Philippines, INC (“MCCI”)
8. ASEAN Business Advisory Council (“ASEAN-BAC”) Malaysia Circle (“ABMC”)
9. Malaysia Retail Chain Association (“MRCA”)
10. Universal Postal Union (“UPU”)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the “**Board**”) of GDEX Berhad (the “**Company**”) operates according to the governance framework and is collectively responsible for good corporate governance of the Company under the Companies Act 2016, Main Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) as well as the relevant laws and regulations for the financial year 2023. 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 Listing Requirements of Bursa Securities and provides an overview of the application of the three (3) key principles set out in the MCCG. The Board believes that this code of corporate governance will ensure the highest standards of transparency, integrity, and accountability across 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 31 December 2023.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

1. Board of Directors

The Group acknowledges the pivotal role played by the Board in the stewardship of its directions and operations, and ultimately the enhancement of long-term shareholders’ value. To fulfil this role, the Board plays a critical role in setting the appropriate tone at the top and is charged with leading and managing the Group in an effective, well governed, and ethical manner. The directors individually have the legal duty to act in the best interest of the Group and are also collectively aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed. The Board’s responsibilities, amongst others include the following:

- a) Developing, reviewing and monitoring the Group’s strategic plan and direction and ensuring that resources are available to meet its objectives.
- b) Identifying and reviewing principal risks and ensuring the implementation of appropriate systems to manage these risks.
- c) Supervising the operation of the Group to evaluate whether established targets are achieved.
- d) Monitoring the compliance with legal, regulatory requirements and ethical standards.
- e) Promoting better investor relations and shareholder communications.
- f) Ensuring that the Group’s core values, vision and mission; and shareholders’ interests are met.
- g) Reviewing the adequacy and the integrity of the Group’s risk management and internal control systems including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. Board Responsibilities *cont'd*

1. Board of Directors *cont'd*

- h) Establishing such committees, policies and procedures to effectively discharge the Board's roles and responsibilities.
- i) Initiating a Board self-evaluation program and follow up action to deal with issues arising and arranging for directors to attend courses seminars and participate in development programs as the Board deems appropriate.
- j) Implementing and ensuring that the Company has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility.

To assist in the discharge of its responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide recommendations and advice:

- (i) Audit and Risk Management Committee (“**ARMC**”)
- (ii) Combined Nomination and Remuneration Committee (“**CNRC**”)

Each Board Committee operates within their approved terms of reference set by the Board which are periodically reviewed. The Board appoints the Chairman and members of each Board Committee.

The Chairman of the respective Board Committees will report to the Board on the outcome of any discussions and make recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Board may form other committees delegated with specific authorities to act on their behalf. These committees will operate under approved terms of reference or guidelines and are formed whenever required.

Board meeting agenda includes statutory matters, governance and management reports, which include strategic risks, and strategic projects. The Board approves an annual performance contract setting the priorities director and performance targets for the Group within the parameters of the corporate plan.

The profile of each Director is presented in the Annual Report of the Company.

2. Separation of position of the Chairman and Managing Director/Group Chief Executive Officer

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and Managing Director/Group Chief Executive Officer of the Company are separately held and each has clearly accepted division of responsibilities and accountability to ensure a balance of power and authority. This segregation of roles also facilitates a healthy open, exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. Board Responsibilities *cont'd*

2. Separation of position of the Chairman and Managing Director/Group Chief Executive Officer *cont'd*

The Chairman of the Board, Tan Sri Muhammad bin Ibrahim, an Independent Non-Executive Chairman, leads the Board with focus on governance and compliance and acts as a facilitator at Board meetings to ensure that relevant views and contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion.

The Chairman's key responsibility, amongst others, includes the following:

- a) Leadership of the Board;
- b) Overseeing the effective discharge of the Board's oversight role;
- c) Facilitating the effective contribution of all Directors;
- d) Conducting the Board's function and meetings;
- e) Briefing all Directors in relation to issues arising at meetings;
- f) Scheduling regular and effective evaluations of the Board's performance; and
- g) Promoting constructive and respectful relations between Board members and between the Board and the Management.

The Managing Director/Group Chief Executive Officer, Teong Teck Lean oversees the day-to-day operations to ensure the smooth and effective running of the Group. He also implements the policies, strategies, decisions adopted by the Board, monitors the operating financial results against plans and budgets and acts as a conduit between the Board and Management in ensuring the success of the Group's governance and management functions.

During Board meetings, the Chairman maintains a collaborative atmosphere and ensures that all Directors contribute to the discussion. The Chairman and Managing Director/Group Chief Executive Officer arrange informal meetings and events from time to time to build constructive relationships between the Board members.

3. Supply of and Access to Information

All Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs in a timely manner to enable them to discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors and Board Committees in advance of the scheduled meetings. Notices of meetings are sent to Directors at least seven (7) days before the meetings. Management provides the Board with detailed meeting materials at least seven (7) days in advance of the Board or Board Committees' meetings. Senior Management may be invited to join the meetings to brief the Board and Board Committees on the requisite information on matters being discussed, where necessary.

Technology is effectively used in the meetings of Board and Board Committees and in communication with the Board, where the Directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. Board Responsibilities *cont'd*

4. Commitment of the Board

The Board would meet at least five (5) times a year, at quarterly intervals which are scheduled at the onset of the financial year to help facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board. All Board meetings are furnished with proper agendas with due notice given and Board papers are prepared by the Management and circulated to all Directors prior to the meetings.

All pertinent issues discussed at the Board meetings are properly recorded by the Company Secretaries. The details of Directors' attendance during the financial year ended 31 December 2023 are set out as follows:

Directors	Board Meetings	Audit and Risk Management Committee Meetings	Combined Nomination and Remuneration Committee Meetings
Tan Sri Muhammad bin Ibrahim	6/6	N/A	N/A
Teong Teck Lean	5/6	N/A	N/A
Lim Chee Seong	6/6	N/A	N/A
Low Ngai Yuen	6/6	5/5	2/2
Chua Put Moy	6/6	5/5	2/2
Dato' Azman bin Mahmud	6/6	N/A	N/A
Nuraini binti Ismail	6/6	5/5	2/2
Yik Yen Shan, Vincent	5/6	N/A	N/A
Yuji Nashimoto ⁽¹⁾	N/A	N/A	N/A
Hiroshi Etani ⁽²⁾	5/6	N/A	N/A
Lee Kah Hin ⁽³⁾	5/6	N/A	N/A
Teong Tsang Whon ⁽⁴⁾ (Alternate Director to Teong Teck Lean)	N/A	N/A	N/A
Teoh Cho Min ⁽⁵⁾ (Alternate Director to Lim Chee Seong)	N/A	N/A	N/A

Notes:

⁽¹⁾ Appointed as Non-Independent and Non-Executive Director on 1 February 2024.

⁽²⁾ Resigned as Non-Independent and Non-Executive Director on 1 February 2024.

⁽³⁾ Resigned as Executive Director/Chief Investment Officer of the Company on 25 February 2024.

⁽⁴⁾ Appointed as Alternate Director to Teong Teck Lean on 1 January 2024.

⁽⁵⁾ Appointed as Alternate Director to Lim Chee Seong on 1 January 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

I. Board Responsibilities cont'd

4. Commitment of the Board cont'd

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at each Board meeting.

It is the Board's policy for Directors to notify the Board before accepting any new directorship notwithstanding that the Listing Requirements of Bursa Securities allow a Director to sit on the board of a maximum of five (5) listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment. At present, all Directors of the Company have complied with the Listing Requirements where they do not sit on the board of more than five (5) listed issuers.

5. Continuous Development of the Board

The Board, via the CNRC, continues to identify and attend appropriate briefings, seminars, conferences and courses to keep abreast of changes in legislations and regulations affecting the Group.

All Directors have completed the Mandatory Accreditation Programme Part I. The Directors are encouraged to attend Mandatory Accreditation Program Part II before the timeline prescribed by Bursa Securities. The Directors are mindful that they would continue to enhance their skills and knowledge to maximize their effectiveness as Directors during their tenure. Throughout their period in office, the Directors are continually updated on the Group's business and the regulatory requirements.

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

Name of Directors	Training Programmes	Date
Tan Sri Muhammad bin Ibrahim	Talk on Risk of Development of Financial Institution	31 May 2023
	2023 Board and Audit Committee Priorities	6 July 2023
	UHY Asia Pacific Regional Meeting 2023	12 July 2023
	BINA 2023 Convention	8 August 2023
	37th Convocation of UTAR	19 August 2023
	13th Malaysia-China Entrepreneurs Conference 2023	18 October 2023
Teong Teck Lean	MOT-CAN Sustainability Orientation Programme	17 January 2023
	Capacity Development Programme "Introduction to Postal & Courier Regulations"	21 August 2023 to 22 August 2023
	Forbes Global CEO Conference	11 September 2023 to 13 September 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. Board Responsibilities *cont'd*

5. Continuous Development of the Board *cont'd*

Name of Directors	Training Programmes	Date
Teong Teck Lean <i>cont'd</i>	World Mail and Express Asia Conference	18 September 2023 to 20 September 2023
	Capacity Development Conference 2023	9 October 2023 to 12 October 2023
	7th International Conference on Learning & Development (ICLAD)	21 November 2023 to 23 November 2023
Lim Chee Seong	ASEAN Finance Innovation Summit 2023	8 February 2023 to 9 February 2023
	Regional Tax & Investment Conference 2023	21 March 2023
	ASEAN Workshop on Sustainable Development	21 July 2023
	Decoding New Tax Measures in 2024 Budget	20 October 2023
Low Ngai Yuen	The S in ESG-Women on Boards by LeadWomen IWD	8 March 2023
	Rising Inflation and eCommerce on Steroids-eTail Connect	29 March 2023 to 30 March 2023
	Navigating Anti-Corruption Practices - Graymatter Forensic Advisory	4 July 2023
	Optimising Customer Experience - Seamless Middle East & Saudi Arabia 2023	4 September 2023 to 5 September 2023
	DEI as a Business Imperative - Malaysian Employers Federation National Conference 2023	6 September 2023 to 7 September 2023
	SME Scaling - 8th Selangor Smart City & Digital Economy Convention SIDEC	19 October 2023
	Data-Driven AI-Powered Retention Strategies- Netcore Mashup	19 October 2023
	AI in E-commerce: Personalized Shopping Experiences and Predictive Analytics - Knowledge Group	25 October 2023
	Programmatic Pioneers Asia Summit	25 October 2023 to 26 October 2023
	Rethinking Your Physical Footprint and Retail Partnerships for Discovery - FUTR Asia	1 November 2023 to 2 November 2023
The CX Insurgence - What's NEXT 2023	5 December 2023	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

I. Board Responsibilities cont'd

5. Continuous Development of the Board cont'd

Name of Directors	Training Programmes	Date
Low Ngai Yuen cont'd	Prediction and Trends for 2023 - Digital Marketing World Forum	7 December 2023
	Circularity and Greening Supply Chains: Facilitating SMEs Transition-COP28 UN Climate Change Conference	7 December 2023 to 13 December 2023
Chua Put Moy	Background and Corruption offenses under SPRM by Kumpulan Pengurusan & Professional Suruhanjaya Pencegahan Rasuah	27 June 2023
	Board n Audit committee priorities by KPMG	6 July 2023
	Generative AI - opportunity or risk	20 July 2023
	Arrival of ISSB Standards and the Continued Relevance of Integrated Reporting Webinar by MIA	4 September 2023
	ESG, Climate, and Trust: The Board's Role" - Deloitte	6 September 2023
	Management of Cyber security - EY	3 October 2023
	Navigating AI Governance and ESG Reporting for the future - KPMG	17 October 2023
	Integration of Corporate Social Due Diligence Directive - KPMG	14 November 2023
	MFRS Updates 2023 by KPMG	7 December 2023
Dato' Azman bin Mahmud	Cyber Security Awareness Training for Board of Directors	12 January 2023
	Corporate Governance Monitor 2022	28 February 2023
	Guidance on Management of Cyber Risks	28 February 2023
	Guidebooks 4 & 5 on public listed Companies ("PLC") Transformation Programme	28 February 2023
	Sustainable Fertilizer Technologies Seminar & Networking Luncheon	21 March 2023
	QRD Program - Series 1 - Board Risk Oversight Best Practices: A Strategic Approach	22 May 2023
	DFI Green Finance Forum: Empowering DFIs to Bridge Funding Gaps and Drive Economic and Climate Resilience	23 June 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. Board Responsibilities *cont'd*

5. Continuous Development of the Board *cont'd*

Name of Directors	Training Programmes	Date
Dato' Azman bin Mahmud <i>cont'd</i>	QRD Program: Risk Appetite, Risk Tolerance and Risk Maturity Frameworks	18 July 2023
	Upholding Financial Integrity - Anti Money Laundering & Ethics Awareness Program	13 September 2023
	Bursa E-Learning on bribery & anti-corruption	27 December 2023
Nuraini binti Ismail	Crisis Management & Negotiation	12 June 2023
	Emulate Prophetic Leadership	16 June 2023
	Ethical Leadership Helps Shape Organisational Values and Cultures	16 June 2023
	Bank Islam - Directors Conference	7 August 2023
	MAP II-Sustainability Leading for Impact	4 to 7 September 2023
	Detecting & Deterring Financial Statements fraud	14 September 2023
	Fide Module A (Insurance)	3 to 6 October 2023
	What amounts to Conflict of Interest by Directors	13 October 2023
	Fide Module B (Insurance)	17 to 20 October 2023
	ESG and Islamic Finance	7 November 2023
	AML/CFT and Anti Bribery Training (MCIS)	27 November 2023
	E-Invoicing; Cyber Security Awareness	4 December 2023
	Behavioural Study and Report Sharing by Samhoud	6 December 2023
	Malaysia Budget 2024	21 December 2023
	Yik Yen Shan, Vincent	Workshop for CEOs/Top Management (bizSAFE Level 1)
Singapore Institute of Directors - Listed Entity Director (LED) Programme:		
LED 2 - Board Dynamics		11 October 2023
LED 3 - Board Performance		11 October 2023
LED 4 - Stakeholder Engagement		12 October 2023
LED 9 - Environment, Social & Governance Essentials		12 October 2023
LED 5 - Audit Committee Essentials		13 October 2023
LED 6 - Board Risk Committee Essentials		13 October 2023
Top Executive WSH Programme (TEWP)		18 October 2023

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

cont'd

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

I. Board Responsibilities *cont'd*

5. Continuous Development of the Board *cont'd*

The Company Secretary also highlights the relevant guidelines on statutory and regulatory requirements from time to time to the Board. The external auditors on the other hand, briefed the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

6. Board Committees

ARMC

The ARMC monitors risk management and internal control system design to safeguard the Group's assets and to maintain the integrity of financial reporting. The ARMC maintains direct, unfettered access to the Company's external auditor, internal auditor and management.

The ARMC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The present members of the ARMC are as follows:

Name	Designation
Chua Put Moy	Chairperson, Independent Non-Executive Director
Low Ngai Yuen	Member, Independent Non-Executive Director
Nuraini binti Ismail	Member, Independent Non-Executive Director

A copy of the ARMC's Terms of Reference can be found in the Company's website at www.gdexpress.com.

CNRC

The CNRC oversees matters related to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board. In addition, the CNRC is also responsible for developing a formal and transparent policy and framework on the Senior Management and Directors' remuneration and recommend to the Board for approval.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. Board Responsibilities *cont'd*

6. Board Committees *cont'd*

CNRC *cont'd*

The CNRC comprises three (3) members, all of whom are Independent Non-Executive Directors. The present members of the CNRC are as follows:

Name	Designation
Nuraini binti Ismail	Chairperson, Independent Non-Executive Director
Low Ngai Yuen	Member, Independent Non-Executive Director
Chua Put Moy	Member, Independent Non-Executive Director

During the financial year ended 31 December 2023, the CNRC held two (2) meetings. Below is a summary of the key activities undertaken by the CNRC in discharge of its duty:

- (a) Reviewed the Board Charter and composition of the Board and Board Committees in respect of the mix of skills and experience of each individual Director including the core competencies of the Non-Executive Directors;
- (b) Assessed and reviewed the independence of the Independent Directors;
- (c) Reviewed the terms of office and performance of the ARMC and each of its members to ascertain that the ARMC and its members have carried out their duties in accordance with the ARMC's terms of reference;
- (d) Reviewed the terms of office of the CNRC;
- (e) Determined the Directors who would stand for re-election;
- (f) Reviewed the remuneration package of the Non-Executive Directors;
- (g) Reviewed the remuneration package of the Executive Directors and Senior Management;
- (h) Reviewed the appointment of Alternate Directors;
- (i) Reviewed the appointment of Senior Management;
- (j) Reviewed the i) Group Investment Policy and Investment Guidelines; ii) Code of Ethics and Conduct; iii) Directors and Senior Management Assessment and Remuneration Policy; iv) Diversity Policy; v) Directors' Fit and Proper Policy; and vi) Corporate Disclosure Policy and Procedure;
- (k) Reviewed the Sustainability Updates; and
- (l) Reviewed the career and succession planning of the management.

A copy of the CNRC's Terms of Reference can be found in the Company's website at www.gdexpress.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. Board Responsibilities *cont'd*

7. Board Charter

The Company has established a Board Charter to promote high standards of corporate governance practices to govern and provide clarity for Directors and Management with regard to the role of the Board and its committees. The Board Charter clearly sets out the key values and principles of the Company and further sets out the duties and responsibilities of the Board, and the Board Committees. The Board Charter also provides structure guidance and ethical standards for the Board in discharging their duties towards the Group as well as its operating practices. The Board Charter further entails the following issues and decisions reserved for the Board:

- a) Appointment and removal of directors, board committees;
- b) Appointment and removal of Managing Director / Group Chief Executive Officer;
- c) Capital structuring/restructuring;
- d) Company's policies;
- e) Significant Business Agreement/Alliances/Partnerships;
- f) Investment amount of more than RM6 million;
- g) Litigation/settlement;
- h) Risk profile and appetite;
- i) Winding up/liquidation/asset write off/disposal;
- j) Reviewing and approving the annual strategic business plan and financial budget;
- k) Approving transactions exceeding the authority delegated to Managing Director / Group Chief Executive Officer;
- l) Declaring and recommending dividend payment which is subject to the approval of shareholders in the Annual General Meeting;
- m) Reviewing and approving the Group and the Company financial statements encompassing annual audited financial statements and quarterly reports;
- n) Issuing of new securities and any corporate exercise involving the Group and the Company;
- o) Reviewing and approving material acquisitions and disposals of undertakings and properties, equipment or assets outside the ordinary course of business and exceeding threshold under the management's approval;
- p) Reviewing and approving new investments, divestments, mergers and acquisitions, establishment of subsidiaries or joint ventures, and any other corporate exercise which requires the shareholders' approval;
- q) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- r) Limits of Authority;
- s) Financing and borrowing activities;
- t) Ensuring regulatory compliance;
- u) Reviewing the adequacy and integrity of risk management and internal control systems; and
- v) Reviewing and approving policy and procedures in relation to Anti-Bribery and Corruption.

The Board Charter is being reviewed regularly by the Board to ensure it complies with legislations and best practices, and remains effective and relevant to the Board's objectives.

A copy of the Board Charter can be found in the Company's website at www.gdexpress.com.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

cont'd

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

I. Board Responsibilities *cont'd*

8. Code of Ethics and Conduct

The Company has established a Code of Ethics and Conduct which is also enshrined in the Board Charter to promote a corporate culture which engenders ethical conduct that permeates throughout the Group.

The Group practices the relevant principles and values in the Group's dealings with employees, customers, suppliers and business associates. The Directors, officers and employees of the Group are also required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as the Group's policies. Ongoing training is provided to staff on the Code of Conduct, Ethics and general workplace behaviour to ensure they continuously uphold high standard of conduct when performing their duties.

The Board is provided guidance through the Code of Ethics and Conduct on disclosure of conflict of interest and other disclosure information/requirements to ensure that the Directors comply with the relevant regulations and practices. In order to address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring such Directors to abstain from participating in deliberations during meetings and abstaining from voting on any matter in which they may also be interested or conflicted. The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interests.

Notices on the closed period for trading in the Company's shares are sent to Directors, principal officers and the relevant employees on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the Listing Requirements.

Details of the Code of Ethics and Conduct can be found in the Company's website at www.gdexpress.com.

9. Whistleblowing Policy and Procedure

The Company has adopted a Whistleblowing Policy and Procedure as the Board believes that a sound whistleblowing system will strengthen, support good management and at the same time, demonstrate accountability, good risk management and sound corporate governance practices. The policy is to encourage reporting of any major concerns over any wrongdoings within the Group.

The policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing at the Company and its subsidiaries. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation.

Details of the Whistleblowing Policy and Procedure can be found in the Company's website at www.gdexpress.com

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. Board Responsibilities *cont'd*

10. Company Secretaries

The Board is assisted by two (2) qualified and competent Company Secretaries who play a vital role in advising the Board in relation to the Group's Constitution, policies, procedures and compliance with the relevant regulatory requirements, codes, guidance and legislations. All the Directors have unrestricted access to the advices and services of the Company Secretaries for the purpose of the conduct of the Board's affairs and the business.

The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. The Company Secretaries have also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or the Malaysian Institute of Chartered Secretaries and Administrators for practising company secretaries. The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging its functions. In addition, the Company Secretaries are also accountable to the Board and are responsible for the following:

- a) Advising the Board on its roles and responsibilities.
- b) Advising the Board on matters related to corporate governance and the Listing Requirements.
- c) Ensuring that Board procedures and applicable rules are observed.
- d) Maintaining records of the Board and ensuring effective management of the Company's statutory records.
- e) Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded.
- f) Assisting communications between the Board and Management.
- g) Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.
- h) Preparing agendas and co-coordinating the preparation of Board papers.

II. Board Composition

1. Composition and Diversity

The Directors are of the opinion that the current Board size and composition is adequate for facilitating effective decision making given the scope and nature of the Group's businesses and operations. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors which is reflected in the diversity of backgrounds and competencies of the Directors. Such competencies include finance, accounting, digital and other relevant industry knowledge, entrepreneurial and management experience and familiarity with regulatory requirements and risk management.

The CNRC ensures that the composition of the Board is refreshed periodically while the tenure, performance and contribution of each Director is assessed by the CNRC through the Board Evaluation. In addition, each of the retiring Directors will provide their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

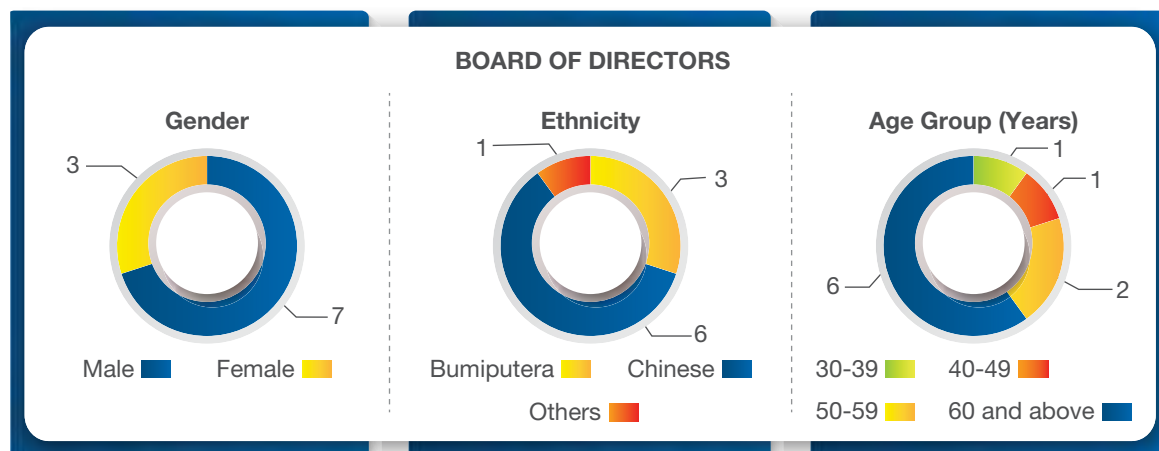
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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. Board Composition *cont'd*

1. Composition and Diversity *cont'd*

As at 31 December 2023, there were three (3) female Independent Non-Executive Directors on the Board which account for 30% 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. The Board's current diversity is as follows:



The Board of Directors' profile can be found in the Annual Report of the Company.

2. Independency of Independent Directors

The Independent Directors play a crucial role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders. The Board, via the CNRC assesses each Director's independence to ensure on-going compliance with this requirement annually. The CNRC is satisfied that the Independent Directors are independent of Management and free from any business or other relationships which could interfere with the exercise of independent judgement, objectivity and the ability to act in the best interest of the Company.

As at the date of this statement, none of the Independent Directors has exceeded a cumulative term of nine (9) years. Nonetheless, the Board would justify and seek annual shareholders' approval to retain the Independent Directors after the ninth (9th) year 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*

3. Appointment of Board and Senior Management

The Board of Directors comprise of a collective of individuals having an extensive complementary knowledge and competencies, as well as expertise to make an active, informed and positive contribution to the management of the Group in terms of the business' strategic direction and development. The appointment of the Board and its Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The CNRC will assess the suitability of the candidates before formally considering and recommending them for appointment to the Board or Senior Management. In proposing its recommendation, the CNRC will consider and evaluate the candidates' required skills, knowledge, expertise, competence, experience, characteristics, professionalism. For appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in Listing Requirements of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees and Annual General Meeting ("AGM").

4. Gender Diversity

The Company has adopted a diversity policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board and in Senior Management positions. This includes requirements for the Board to establish measurable objectives for achieving diversity on the Board and in management positions, and for the appropriate Board Committees to monitor the implementation of the policy, assess the effectiveness of the Board nomination process and the appointment process for management positions at achieving the objectives of the policy.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

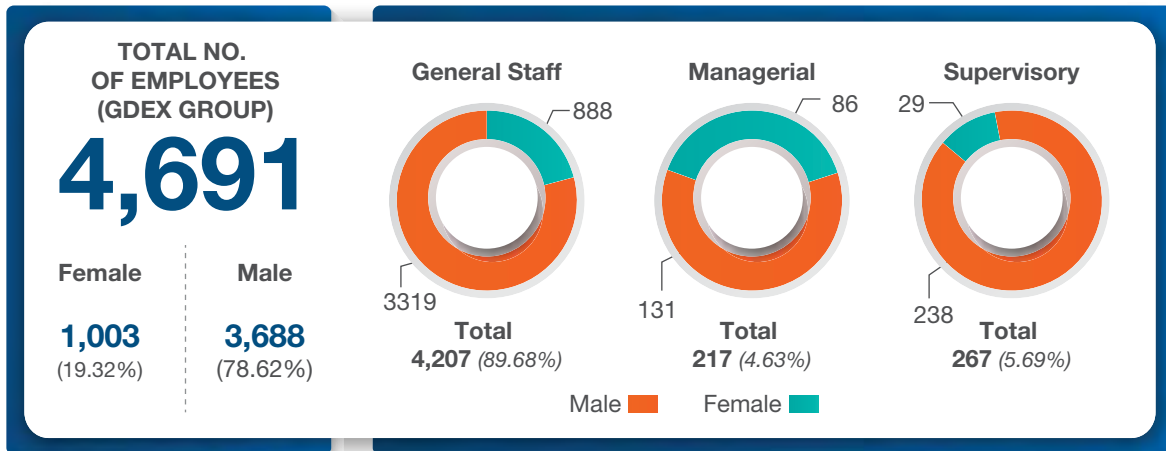
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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. Board Composition *cont'd*

4. Gender Diversity *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:



A copy of the Diversity Policy can be found in the Company's website at www.gdexpress.com.

5. Identifying Suitable Candidates

The Board has scrutinised the Company's requirement in relation to the Board's appointment of Independent Directors in order to identify directors which has the right mix of skills and experience and able to contribute positively to the Board. In order to achieve such outcome, the Board had sourced suitable candidates through various means such as recommendation from the existing Board, Senior Management, directors' registry and the use of independent search firms.

6. Chairperson of the CNRC

The CNRC is led by Nuraini binti Ismail, the Independent Non-Executive Director, who directs the CNRC for succession planning and appointment of Board members and Senior Management by conducting annual review of board effectiveness and skill assessments. This provides the CNRC with relevant information of the Group's needs, allowing them to source for suitable candidates when the need arises.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. Board Composition *cont'd*

7. Annual Evaluation

The CNRC is responsible in evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the CNRC Chairman and supported by the Company Secretary via questionnaires. The CNRC reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement and also for them to form the basis of recommending relevant Directors for re-election at the AGM.

The assessment criteria used in the assessment of Board and individual Directors include mix of skills, knowledge, Board diversity, size and experience of the Board, core competencies and contribution of each Director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

The Board evaluation comprises Performance Evaluation of the Board and various Board Committees, Directors' Peer Evaluation and Assessment of the independence of the Independent Directors. The assessment is based on four (4) main areas relating to Board Structure, Board Operations, Board and Chairman's roles and responsibilities and Board Committees' role and responsibilities.

For Directors' Peer Evaluation, the assessment criteria include abilities and competencies, calibre and personality, technical knowledge, objectivity and the level of participation at Board and Committee meetings including his/ her contribution to Board processes.

Any appointment of a new Director to the Board or Board Committee is recommended by the CNRC for consideration and approval by the Board. In accordance with the Company's Constitution, one-third (1/3) of the Directors for the time being shall retire from office at each AGM. A retiring director shall be eligible for re-election. The Constitution also provides that all directors shall retire at least once every three (3) years.

During the year, the Board conducted an internally facilitated Board assessment. The results and recommendations from the evaluation of the Board and Committees are reported to the Board for full consideration and action. The Board was comfortable with the outcome and that the skills and experience of the current Directors satisfy the requirements of the skills matrix and that the Chairman possesses the leadership to safeguard the stakeholders' interest and ensure the development of the Group.

The CNRC also considered the results of the evaluation when considering the re-election of Directors and recommended to the Board for endorsement the Directors standing for re-election at forthcoming AGM of the Company.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

cont'd

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

III. Remuneration

The objective of the Group's internal remuneration policy is to provide fair and competitive remuneration to its Board and Senior Management in order for the Company to attract and retain Board and Senior Management of calibre to run the Group successfully. The responsibilities for developing the remuneration policy and determining the remuneration packages of Executive Directors and Senior Management lie with the CNRC. Nevertheless, it is ultimately the responsibility of the Board to approve the remuneration of Executive Directors and Senior Management.

Based on the remuneration framework, the remuneration packages for the Executive Directors and Senior Management compose of a fixed component (i.e. salary, allowance and etc.) and a variable component (i.e. bonus, benefit-in kind-and etc.) which is determined by the Group's overall financial performance in each financial year which is designed to support the Group's strategy and provides a balance between motivating and challenging the Group's Senior Managements to deliver the Group's business priorities, as set out by Executive Directors, and strong performance while also driving the long-term sustainable success of the Group.

The level of remuneration of Non-Executive Directors reflects their experience and level of responsibility undertaken by them. Non-Executive Directors will receive a fixed and attendance fee, with additional fees if they are members of Board Committees, with the Chairman of the ARMC or CNRC receiving a higher fee in respect of his/her service as Chairman of the respective Committees. The fees for Directors are determined by the Board with the approval from shareholders at the AGM and no Director is involved in deciding his/her own remuneration.

During the financial year under review, the CNRC had reviewed the remuneration for the Executive Directors and Senior Management which reflects their level of responsibilities as well as the performance of the Group, and considered their remuneration packages are comparable within the industry norm. The CNRC further discussed the annual salary review for the Executive Directors and Senior Management in line with the budget salary increase for the rest of the organisation.

The detailed disclosure for the remuneration of individual Directors (on named basis) and Senior Management (on band basis) that includes fees, salary, bonus, benefits in-kind and other emoluments from the Company and the Group for the financial year ended 31 December 2023 are set out in the Corporate Governance Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. ARMC

The current ARMC consists of three (3) Independent Non-Executive Directors and all of them are financial literate and have sufficient understanding of the Group's business. All the members of the ARMC undertake continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules. The composition of the ARMC is presented in the ARMC Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. ARMC *cont'd*

The Chairman of the ARMC is not the Chairman of the Board, ensuring that the impairment of objectivity on the Board's review of the ARMC's findings and recommendation remains intact.

The ARMC has adopted a Terms of Reference which sets out its goals, objectives, duties, responsibilities and criteria on the composition of the ARMC which includes a former key audit partner of the Group to observe a cooling-off period of at least three (3) years before being able to be appointed as a member of the ARMC.

In presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders, the Board is responsible to present a clear, balanced and understandable assessment of the Group's performance and position. The ARMC is entrusted to provide assistance to the Board in reviewing the Group's financial reporting process and accuracy of its financial results, and scrutinising information for disclosure to ensure accuracy, adequacy, completeness and compliance with the accounting standards.

The Board places great emphasis on the objectivity and independence of the external auditors. Through the ARMC, the Board maintains a transparent relationship with the external auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards. The ARMC is empowered to communicate directly with the external auditors to highlight any issues of concern at any point in time.

The ARMC ensures the external audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the external auditors in order to make sure that it does not give rise to conflict of interests.

For the financial year ended 31 December 2023, fees paid to the external auditors, Messrs Deloitte PLT and its affiliated entities by the Group are stated in the table below:

Nature of Services	Company (RM'000)	Subsidiaries (RM'000)
Audit	237	103
Non-Audit:		
Review of the Statement of Risk Management and Internal Control	6	-

The external auditors have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement 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 Accountant', *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code").

Further information on the roles and responsibilities of the ARMC may be found in the ARMC Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

II. Risk Management and Internal Control Framework

The Board assumes ultimate responsibility for the effective management of risk across the Group, determining its risk appetite as well as ensuring that each business area implements appropriate internal controls. In order to achieve such objective, a risk management policy has been adopted by the Group. The Group's risk management systems are designed to manage, mitigate and eliminate risks (where possible) to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is assisted by the ARMC in reviewing the adequacy of the risk management and internal control system of the Group. This covers all material controls including financial, operational, compliance and risk management systems. The ARMC is supported by an in-housed and independent internal audit function in order to determine the adequacy and effectiveness of the existing risk management and internal control systems.

The Board acknowledges its responsibility for maintaining a sound system of internal control which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations and to safeguard shareholders' investment and its assets and interests in compliance with the relevant laws and regulations as well as the Group's internal financial administration procedures and guidelines.

The Group has established an Internal Audit Department, which reports directly to the ARMC as specified in the Terms of Reference of the ARMC. The internal auditors carry out its function in accordance with the 3 Years Internal Audit Plan which has been approved by the ARMC.

Further information about the risk management and internal control systems may be found in the Statement on Risk Management and Internal Control of this Annual Report.

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

I. Communication with Stakeholders

The Company recognizes the importance of accountability to its stakeholders through effective and constructive communication and timely dissemination of information on all material business and corporate developments to the shareholders, stakeholders and the public, in general. The Board has formalized a corporate disclosure policy and procedure not only to comply with the disclosure requirements as stipulated in the Listing Requirements, but also sets out the persons authorized and responsible to approve and disclose material information to all stakeholders.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. It is the Group's practice that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analyst and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

cont'd

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

I. Communication with Stakeholders *cont'd*

The Group has a dedicated Investor Relations page which 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.

II. Conduct of General Meetings

The Company's AGM is an important means of communicating with its shareholders. To ensure effective participation of an engagement with the shareholders at the AGM of the Company, all members of the Board would be present at the meeting to respond to questions raised by shareholders and proxies. In addition, the Chairman of the Board would chair the AGM in an orderly manner and encourage the shareholders and proxies to speak at the meeting. The overall performance of the Group would be presented at the meeting.

To ensure shareholders have sufficient time to go through the Annual Report, notice of AGM is circulated at least twenty-eight (28) calendar days before the date of the AGM. In view of the COVID-19 outbreak and as part of the safety measures, the AGM of the Company was conducted through live streaming and online remote voting using Remote Participation and Voting facilities. Shareholders whom were unable to attend the virtual AGM were also encouraged to vote on the proposed motions by appointing a proxy.

The Board also encourages participation from shareholders by having "question and answer" session during the AGM during which the Directors (inclusive of the Chairman of the ARMC and CNRC) are available to provide meaningful response to questions raised by the shareholders.

In line with the Listing Requirements, the Company has implemented and will continue to implement poll voting for all proposed resolutions set out in the notice of any general meeting. An independent scrutineer will also be appointed to validate the votes cast at any general meeting of the Company.



ADDITIONAL COMPLIANCE INFORMATION

1. MATERIAL CONTRACTS

During the financial year ended 31 December 2023, 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

The details of the recurrent related party transactions are disclosed in Note 35 to the financial statements in this Annual Report.

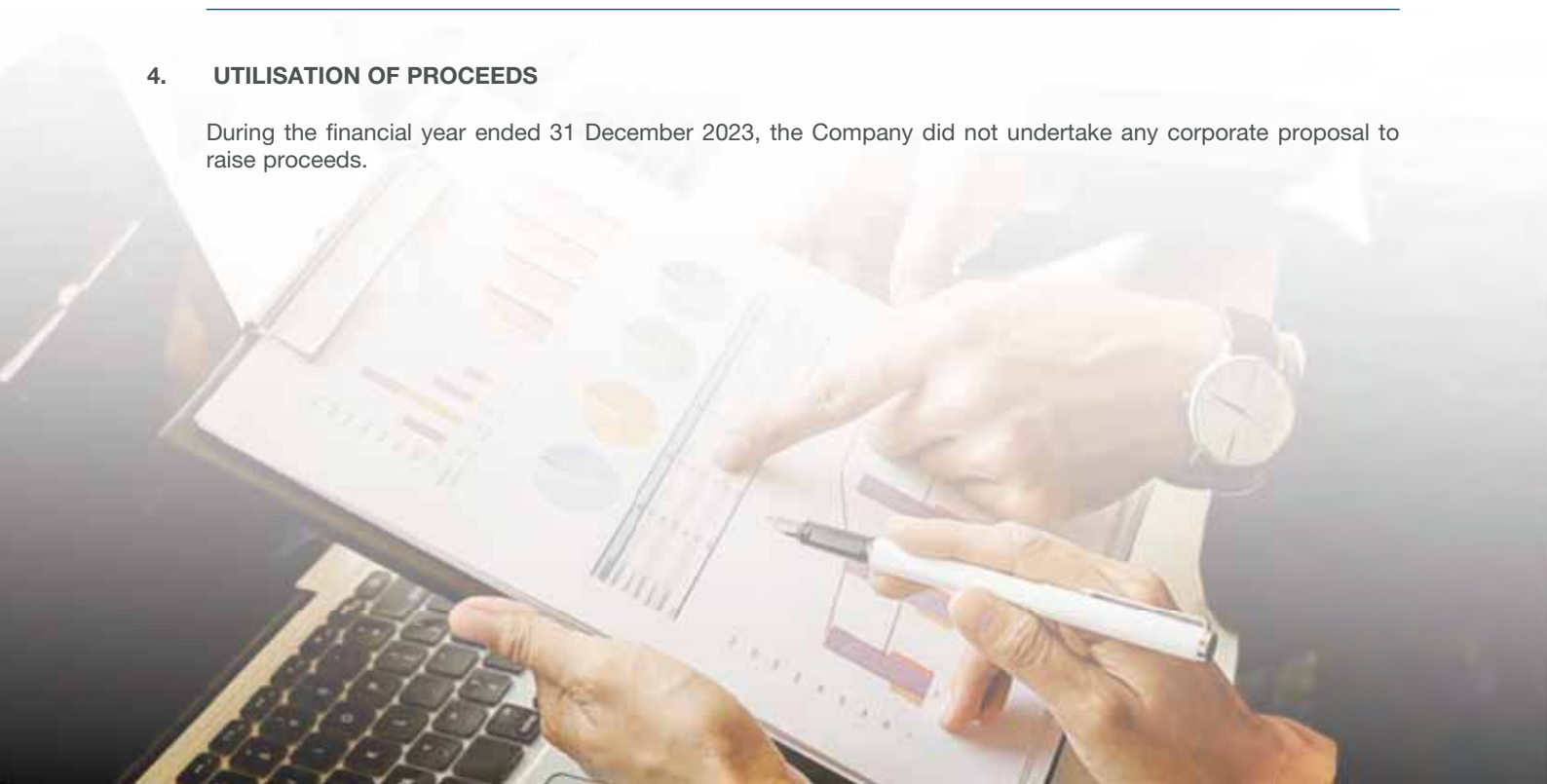
3. AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2023, 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'000)	The Group (RM'000)
Audit Fees	237	608
Non-Audit Fees	6	6

4. UTILISATION OF PROCEEDS

During the financial year ended 31 December 2023, the Company did not undertake any corporate proposal to raise proceeds.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Chapter 15, paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Principle B, Practices 10.1 and 10.2 of the Malaysian Code on Corporate Governance (“MCCG”), the Board of Directors (“Board”) is pleased to provide this Statement on Risk Management and Internal Control (“SORMIC”) for the financial year ended 31 December 2023. The SORMIC is prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors for Listed Issuers.

THE BOARD’S RESPONSIBILITY

The Board recognises the importance of a sound risk management framework and internal control systems for good corporate governance, and acknowledges its primary responsibilities to:

- i) Identify principal risks and ensure implementation of appropriate internal control measures to manage them; and
- ii) Review the effectiveness and adequacy of its financial, operational and compliance internal control measures throughout the financial year.

However, the Board also acknowledges that such risk management and internal control systems are designed to manage the Group’s risks within an acceptable risk profile, rather than eliminate the risk of failure to achieve the policies and business objectives of the Group. Accordingly, it can only provide reasonable but not absolute mitigation against material misstatement of management and financial information and records or against financial losses or fraud.

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

The Board is of the view that the systems of risk management and internal control are in place for the year under review and up to the date of approval of this statement. The risk management and internal control systems are sound and sufficient to safeguard the shareholders’ investment, the interests of customers, regulators and employees, and the Group’s assets. Notwithstanding this, the Board is vigilant and continues to review the effectiveness and adequacy of the systems of risk management and internal control, in view of the dynamic and changing business environment.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

COSO INTERNAL CONTROL AND ISO 31000:2018 RISK MANAGEMENT FRAMEWORKS

I. Control Environment



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

II. Risk management

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

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

The risk management methodology being applied is ISO 31000:2018 Risk Management Standard (the standard). Here are the top significant risks which are being scrutinised by the ARMC. Together with the other risks, the ARMC reviews the Risk Management Update report to ensure the Risk response action plans devised are indeed carried out to mitigate the risks faced by the Group. The outcome of the Risk Management Update review is also presented to the Board:



Note 1:

After completion of the approved cyber-attack remedial actions plan, periodic Cyber Incident Management Committee meetings are still being carried out to ensure the remaining approved cyber security improvement actions plan such as i) Development and testing of the Group’s Business Continuity Plan; ii) Strengthening of the Information Technology Security Policies and Procedures and iii) ISO 27001 Certification and etc. are being progressed per the timeline set by the Management.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

III. Control Activities



Security and Insurance to protect key assets



Executive Committee
- Overall implementation of approved Strategies, Policies and Procedures

Information Technology Steering Committee
- IT infrastructure improvement

Group Health and Safety Committee
Anti-Bribery and Corruption Committee

Group Business Continuity Committee

Sustainability Working Committee

Cyber Incident Management Committee



Annual Financial Budget approval and periodic tracking of actual against budgeted results

Top Management's representatives on the Boards of the Investee Companies to review and monitor management accounts and operations

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

IV. Information and Communication

Financial performance and key business indicators (including the financial performances of the Investee Companies) are tabled and deliberated at the regular Executive Committee meetings. Major business strategies and operational issues are also discussed at these meetings.

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

V. Monitoring

Internal Audit Function

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

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

The ARMC evaluates the internal audit function to assess its effectiveness in discharging of its responsibilities. The internal audit function carries out its duties and responsibilities by applying the International Professional Practices Framework.

During the period under review, there are no material findings that would result in any material losses, contingencies or uncertainties that would warrant a separate disclosure in this annual report. Notwithstanding this, the Board will continue to embrace a risk and control conscious approach and maintain constant vigilance in order to meet its business objectives in the ever changing and challenging business environment.

ISO and other Certifications

9001 and 14001

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

37001:2016

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd



Good Distribution Practice For Medical Devices (GDPMD)

The core companies of the Group had successfully obtained GDPMD quality management system in June 2023 to comply with Malaysian medical device regulatory requirements as stipulated in Medical Device Act 2012 (Act 737).

Assurance

The Management assists the Board in the implementation of the Board's policies and procedures on risk management and internal control by identifying, evaluating, monitoring and reporting of risks and internal 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.

The Board has obtained assurance from the Managing Director/ Group Chief Executive Officer, Chief Financial Officer and Chief Operating Officer that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects based on the risk management and internal control systems of the Group, and nothing has come to their attention that may have a material impact on the business and operations of the Group which in turn may affect the Group's financial performance during the current financial year ended 31 December 2023 under review.

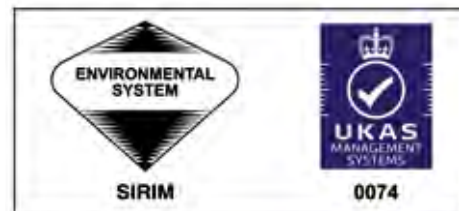
Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control for the inclusion in the annual report of the Company for the financial year ended 31 December 2023 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 16 April 2024.



CERTIFIED TO ISO 37001:2016
CERT. NO : ABMS 00207



CERTIFIED TO ISO 14001:2015
CERT. NO : EMS 01022



CERTIFIED TO ISO 14001:2015
CERT. NO : EMS 01022



CERTIFIED TO ISO 9001:2015
CERT. NO : QMS 04017



CERTIFIED TO ISO 9001:2015
CERT. NO : QMS 04017

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“**Board**”) of GDEX Berhad (“**the Company**”) is pleased to present the report of the Audit and Risk Management Committee (“**Committee**” or “**ARMC**”) for the financial year ended 31 December 2023.

COMPOSITION AND ATTENDANCE AT MEETINGS

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

Name	Designation
Chua Put Moy(f)*	Chairperson, Independent Non-Executive Director
Low Ngai Yuen(f)	Member, Independent Non-Executive Director
Nuraini binti Ismail(f)**	Member, Independent Non-Executive Director

* *Members of Malaysian Institute of Accountants and The Institute of Chartered Accountants of England and Wales*

** *Member of Malaysian Institute of Accountants and Fellow of the Association of Chartered Certified Accountants (United Kingdom)*

The composition of the ARMC complies with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Terms of Reference (“**TOR**”) of the ARMC.

RESPONSIBILITIES AND DUTIES OF THE ARMC

The ARMC is responsible for assisting the Board in fulfilling its statutory and fiduciary responsibilities of monitoring the Company and its subsidiaries’ (collectively referred as “**the Group**”) management of its financial risk processes, accounting and financial reporting practices, conflict of interest situations and related party transactions, ensuring the efficacy of the Group’s system of risk management and internal control and in maintaining oversight of both the internal and external audit functions.

The TOR of the ARMC are reviewed regularly and approved by the Board. The current ARMC TOR is available on the Company’s website at www.gdexpress.com.

The ARMC engages on a continuous basis with the Management, the Internal Auditors and the External Auditors in order to be kept informed of significant matters affecting the Group.

REVIEW OF THE PERFORMANCE OF THE ARMC

The Combined Nomination and Remuneration Committee (“**CNRC**”) had on 28 February 2024, reviewed on the term of office and performance of the Committee and its members. The CNRC is satisfied that the Committee carried out its duties in accordance with its TOR.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT cont'd

SUMMARY OF WORKS OF THE ARMC

The Committee had carried out the following works during the financial year ended 31 December 2023 in discharging its duties and responsibilities:

1. *Financial Reporting*

- (a) Reviewed the unaudited quarterly financial results of the Group. The Committee had sought explanations and additional information from the Executive Director cum Chief Financial Officer and the Management on the reasons for variances/fluctuations in the financial performance of the Group, including the key income and operating expenses, before recommending the same to the Board for approval.
- (b) Reviewed and discussed the annual audited financial statements of the Group and the Company with the External Auditors, Messrs. Deloitte PLT (“**Deloitte**”) with particular focus on significant matters highlighted in their management letter, including financial reporting matters, critical accounting judgements made by the Management, significant and unusual events or transactions, if any, and how these matters are addressed, and the responses/actions taken by the Management on the resolution of such matters arising, before submission to the Board for their approval. The review was to ensure that the financial reporting and disclosures requirements comply with:
 - Requirements of the Companies Act 2016
 - Listing Requirements of Bursa Malaysia Securities Berhad
 - Applicable and approved Malaysian Financial Reporting Standards (“**MFRSs**”)
 - International Financial Reporting Standards (“**IFRSs**”)
 - 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. *Risk Management and Internal Audit*

- (a) Reviewed and discussed the internal audit reports which were tabled during the meetings, the audit recommendations for improvements to the existing system of internal controls, and work processes are made to the Management for resolutions where necessary, as well as the Management’s action and response to these recommendations.
- (b) Reviewed and discussed the implementation status taken by the management in response to the audit recommendations on the audit findings raised in the audit reports and ensure that appropriate management actions being taken to rectify the weaknesses and all the key audit findings as highlighted, and control lapses have been addressed effectively and efficiently. This scope also includes follow-up on the management letter issued by Deloitte during the statutory audit.
- (c) Reviewed and updated the Board the risk profile of the Group which covered bribery & corruption and sustainability in addition to other business risks. The Committee has also ensured risk response actions plan is duly established and carried out by the Management to mitigate significant risks of the Group appropriately.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

SUMMARY OF WORKS OF THE ARMC *cont'd*

2. *Risk Management and Internal Audit cont'd*

- (d) Reviewed and assessed the competency and resources' adequacy of the risk management and internal audit function.
- (e) Reviewed the Risk Management and Audit Department's Key Performance Indicators.

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 31 December 2023.
- (b) Reviewed and discussed with Deloitte their audit planning report, which set out audit strategy, the scope of work, key audit matters, and proposed audit fees.
- (c) Reviewed the annual audited financial statements of the Group and the Company before submission to the Board for approval and released the same to Bursa Malaysia Securities Berhad.
- (d) Reviewed and discussed Deloitte's audit observations, the results of the annual audit and management letter together with Management's responses to the audit observations.
- (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 remains effective, objective, and independent.
- (f) Reviewed the audit and non-audit fees of the Group.
- (g) Recommended the re-appointment of Deloitte as the external auditors of the Company.
- (h) Had private sessions with Deloitte without the Management's presence to discuss other issues of concern, if any, arising from the audit.

4. *Related Party Transactions and Conflict of Interest*

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT cont'd

SUMMARY OF WORKS OF THE ARMC *cont'd*

5. *Anti-Bribery and Corruption*

- (a) Reviewed and assured adequate risk management and internal control frameworks are being put in place by Management to mitigate associated bribery and corruption risks.

6. *Others*

- (a) Reviewed the Whistleblowing Report.
- (b) Reviewed the ARMC Report and Statement on Risk Management and Internal Control before recommending the same to the Board for approval and inclusion in the Annual Report of the Company.
- (c) Discussed and reviewed the latest updates/amendments to the Bursa Malaysia Securities Berhad Main Market Listing Requirements.
- (d) Reviewed the Terms of Reference of the ARMC.
- (e) Reviewed the Audit Services Charter.
- (f) Reviewed the Anti-Bribery and Corruption Update Reports and reported to the Board the effectiveness of the Anti-Bribery and Corruption Management system.

INTERNAL AUDIT FUNCTION AND SUMMARY OF WORKS

Internal Audit Function

The Board has established an in-house and independent risk management and internal audit department to assist the ARMC and the Board in providing an independent assessment on the adequacy, efficiency, and effectiveness of the Group's risk management, internal control, and governance systems. It is the responsibility of the risk management and internal audit department to provide the ARMC with independent and objective reports on the extent of compliance of the various operating units within the Group's established policies and procedures as well as relevant statutory requirements.

The Internal Audit department is staffed by three (3) professionals to assist the person responsible for the internal audit. Details on the person responsible for the internal audit are set out below:

Name	:	Chow Kim Wai
Qualification	:	a) Bachelor of Commerce, Auckland University, New Zealand (majoring in Accounting) b) Member of the Malaysian Institute of Accountant c) Member of the CPA Australia d) Chartered Member of the Institute of Internal Auditors Malaysia
Independence	:	Does not have any family relationship with any director and/or major shareholder of the Company
Public Sanction or Penalty	:	Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT cont'd

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

Internal Audit Function *cont'd*

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

During the financial year ended 31 December 2023, the Internal Audit function carried out the following activities to assure ARMC regarding the risk management, internal control, and governance state of the Group:

- i) Performed internal audit as per the approved internal plan on key business processes to assure the ARMC the internal control state to mitigate significant risks of the Group.
- ii) Carried out risk management exercises to assess key business risks of the Group and ensured appropriate risk response actions plan are being devised to mitigate them accordingly. Such reports have been presented and deliberated at ARMC and reported to the Board half-yearly.
- iii) Followed-up and updated the ARMC status of Management Actions Plan to ensure appropriate actions are being carried out by the Management to address significant findings.

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 separate disclosure in the financial statements.

The total cost incurred by the Internal Audit Department concerning the conduct of the internal audit functions of the Group during the financial year ended 31 December 2023 amounted to RM448,277.00.

5-YEAR GROUP FINANCIAL HIGHLIGHTS

	12 Months Year Ended 31 December 2023	12 Months Year Ended 31 December 2022	18 Months Period Ended 31 December 2021	12 Months Year Ended 30 June 2020	
				←	→
				2020	2019
Results of Operation	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	397,182	383,473	636,937	364,010	313,858
(Loss)/Profit from Operations	(43,495)	(26,149)	51,661	19,878	14,515
(Loss)/Profit before tax	(39,392)	(19,377)	58,180	23,740	32,372
(Loss)/Profit after tax	(38,710)	(15,344)	42,429	18,491	32,468
EBITDA	21,725	38,240	134,120	70,544	53,735
Return on revenue	-10%	-4%	7%	5%	10%
(Loss)/Profit attributable to:-					
Owners of the parent	(34,802)	(17,268)	41,463	18,534	32,468
Non-controlling interests	(3,908)	1,924	966	(43)	-
	(38,710)	(15,344)	42,429	18,491	32,468

	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021	As at 30 June 2020	
				←	→
				2020	2019
Financial Position	RM'000	RM'000	RM'000	RM'000	RM'000
Total assets	607,620	666,254	637,900	656,056	555,635
Total liabilities	167,930	176,045	141,576	159,630	76,471
Net assets	439,690	490,209	496,324	496,427	479,164
Paid-up capital	337,896	337,896	337,896	337,896	337,888
Treasury shares	(27,634)	(22,928)	(20,949)	(905)	-
Shareholders' equity:-					
Owners of the parent	416,404	463,015	483,906	483,181	479,164
Non-controlling interests	23,286	27,194	14,418	13,246	-
	439,690	490,209	496,324	496,427	479,164

5-YEAR GROUP FINANCIAL HIGHLIGHTS

cont'd

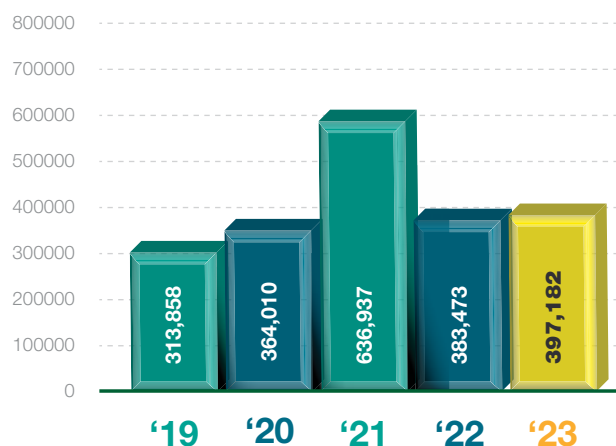
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021	← As at 30 June 2020 → 2019
Share information				
Number of shares in issue	5,641,410,835	5,641,410,835	5,641,410,835	5,641,410,835 ⁽¹⁾ 5,641,388,335
Basic (loss)/earnings per share (sen)	(0.63)	(0.31)	0.73	0.33
Diluted (loss)/earnings per share (sen)	(0.76) ⁽³⁾	(0.38) ⁽³⁾	0.76 ⁽²⁾	0.33
Net assets per share (RM)	0.08	0.09	0.09	0.09
Share price at end of financial year (RM)	0.20	0.15	0.350	0.355

⁽¹⁾ During the financial year ended 30 June 2020, the Company increased its issued and paid-up ordinary share capital from 5,641,388,335 ordinary shares to 5,641,410,835 ordinary shares.

⁽²⁾ The effects of Warrants 2021/2028 on the number of ordinary shares for the financial year ended 31 December 2021 been adjusted as if these events had occurred on 1 July 2020.

⁽³⁾ The effects of Warrants 2021/2028 on the number of ordinary shares for the financial year ended 31 December 2022 been adjusted as if these events had occurred on 1 January 2022.

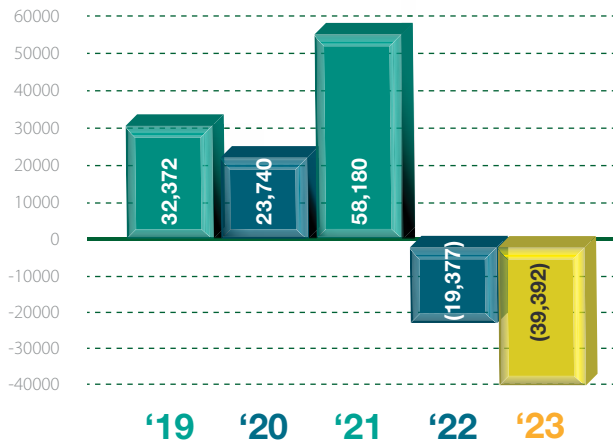
Revenue (RM'000)



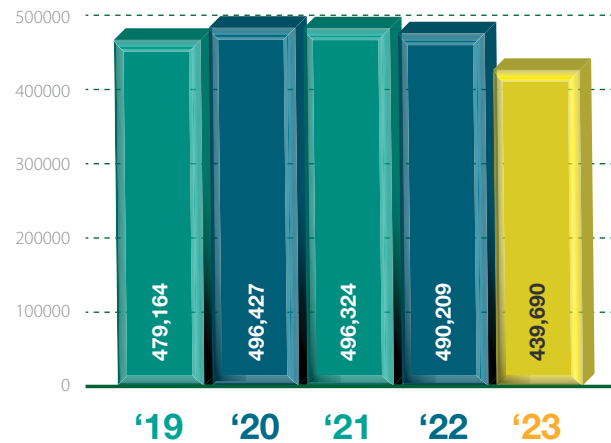
5-YEAR GROUP FINANCIAL HIGHLIGHTS

cont'd

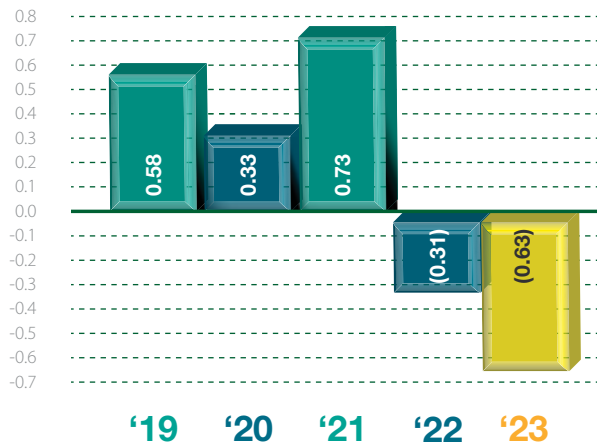
Profit/(Loss) Before Tax
(RM'000)



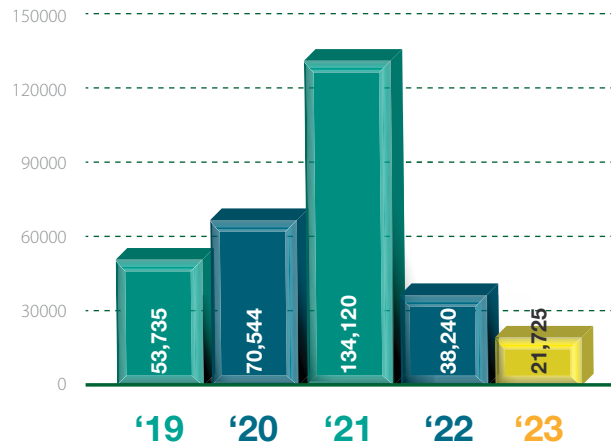
Net Assets
(RM'000)



Basic Earnings Per Share
(Sen)



EBITDA
(RM'000)



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 by the Companies Act 2016, to prepare the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the financial statement is given a true and fair view of the financial position of the Company and its subsidiaries (collectively referred as “**the Group**”) at the end of the financial year, and of the results and cash flows of the Group for the financial year then ended.

The Board is of the opinion that the financial statements have been drawn up in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group for the financial year ended 31 December 2023.

In the process of preparing these financial statements, and other than as disclosed in the notes to the financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently applied throughout the year. In cases where judgement and estimates were made, they were based on reasonableness and prudence.

The Board has also taken all such necessary steps to ensure that proper internal controls are in place to safeguard the assets of the Group and to detect and prevent fraud and other irregularities.

This Statement is made in accordance with the resolution of the Board of Directors dated 16 April 2024.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors of **GDEX BERHAD** hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

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

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

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiary company are disclosed in Note 16 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
(Loss)/Profit before tax	(39,392,132)	3,199,013
Income tax credit/(expense)	682,018	(830,327)
(Loss)/Profit for the year	<u>(38,710,114)</u>	<u>2,368,686</u>
(Loss)/Profit for the year attributed to:		
Owners of the parent	(34,802,517)	2,368,686
Non-controlling interests	(3,907,597)	-
	<u>(38,710,114)</u>	<u>2,368,686</u>

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIRECTORS' REPORT

cont'd

DIVIDENDS

As mentioned in Note 33 to the Financial Statements, a first and final tax exempt dividend of 0.15 sen per share amounting to RM8,312,707 which was proposed in the previous financial year and dealt with in the previous directors' report was paid in cash by the Company during the current financial year.

The directors proposed a dividend of 0.10 sen per share in respect of the financial year ended 31 December 2023. The proposed dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements of the Group and of the Company for the financial year ended 31 December 2023.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the current financial year.

SHARE OPTIONS

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

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

TREASURY SHARES

During the financial year, the Company repurchased 25,226,400 of its ordinary shares listed and quoted on the main market of Bursa Malaysia Securities Berhad from the open market at prices ranging from RM0.16 to RM0.21 per ordinary share. The total consideration paid, including transaction costs, of RM4,706,096 was financed by internally generated funds. The shares repurchased were held as treasury shares in accordance with Section 127 of the Companies Act, 2016 in Malaysia.

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

DIRECTORS' REPORT

cont'd

TREASURY SHARES *cont'd*

The number of ordinary shares as of 31 December 2023 after taking into account the new shares issued and deducting the shares brought back is 5,541,410,835 ordinary shares. Further relevant details are disclosed in Note 25 to the financial statements.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

- (a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

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

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS' REPORT

cont'd

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:

Tan Sri Muhammad bin Ibrahim
Teong Teck Lean
Lim Chee Seong
Low Ngai Yuen
Chua Put Moy
Dato' Azman bin Mahmud
Nuraini binti Ismail
Yik Yen Shan, Vincent
Teong Tsang Whon (alternate director to Teong Teck Lean, appointed on 1 January 2024)
Teoh Cho Min (alternate director to Lim Chee Seong, appointed on 1 January 2024)
Yuji Nashimoto (appointed on 1 February 2024)
Hiroshi Etani (resigned on 1 February 2024)
Lee Kah Hin (resigned on 25 February 2024)

The directors of the subsidiary companies 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:

Teong Lynn Tze, Rachel
Chong Hui Chuen
Kwok Nguk Mooi
Kong Hwai Ming
Nguyen Duc The
Nguyen Xuan Hiep
Luong Thanh Dien
Kwek Huang Kun
Ooi Boon Sheng
Kew Lee Ming
Kong Ewe Keat
Foong Mun Lake (Bernard)
Melvin Foong Mun Hoe
Marmizahsalwa Binti Ahmad Tarmizi
Seh Pei Fang
Ismarina Binte Ismail

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 1.1.2023	Bought	Sold	
Shares in the Company				
Direct interest				
Tan Sri Muhammad bin Ibrahim	2,300,000	-	-	2,300,000
Teong Teck Lean	117,498,752	1,913,900	-	119,412,652
Lim Chee Seong	330,000	-	-	330,000
Lee Kah Hin	716,753	-	-	716,753
Shares in the Company				
Indirect interest				
Teong Teck Lean				
<u>Substantial shareholdings</u>				
GD Express Holdings (M) Sdn. Bhd.	1,384,804,622	-	-	1,384,804,622
GD Holdings International Limited	636,831,693	-	-	636,831,693
GDEX Foundation	19,990,408	-	-	19,990,408
Teong Teck Lean				
<u>Immediate family member</u>				
Wang Heng Tsuey	12,604,215	-	-	12,604,215

DIRECTORS' REPORT

cont'd

DIRECTORS' INTERESTS *cont'd*

	Number of Warrants 2021/2028 over ordinary shares			Balance as of 31.12.2023
	Balance as of 1.1.2023	Issued	Sold	
Warrants 2021/2028 in the Company				
Direct interest				
Teong Teck Lean	29,599,217	-	-	29,599,217
Lim Chee Seong	41,250	-	-	41,250
Lee Kah Hin	89,594	-	-	89,594
Indirect interest				
Teong Teck Lean				
<u>Substantial shareholding</u>				
GD Express Holdings (M) Sdn. Bhd.	259,984,583	-	-	259,984,583
GD Holdings International Limited	79,041,641	-	-	79,041,641
GDEX Foundation	2,498,801	-	-	2,498,801
Teong Teck Lean				
<u>Immediate family member</u>				
Wang Heng Tsuey	1,575,526	-	-	1,575,526

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

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of full-time employees of the Company as disclosed below) 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*

The details of the directors' remuneration for the financial year ended 31 December 2023 are set out below:

	The Group	The Company
	RM	RM
Fees	450,000	450,000
Salaries and other emoluments	1,079,583	1,063,810
Defined contribution plan	86,570	86,570
	1,616,153	1,600,380

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 except for the options granted to certain directors pursuant to the Company's warrant as disclosed above and in Note 24 to the financial statements.

AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors of the Group and of the Company for financial year ended 31 December 2023 are as follows:

	The Group	The Company
	RM	RM
Auditors' remuneration:		
Statutory audit	607,522	237,250
Non-audit services	5,800	5,800
	613,322	243,050

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The details of significant event in respect of the Company's investment in Seed B Redeemable Convertible Preference Shares in Servedeck Innovation Sdn. Bhd. during the financial year are disclosed in Note 20 to the financial statements.

DIRECTORS' REPORT

cont'd

SUBSEQUENT EVENTS

Details of significant events subsequent to the end of the financial year are disclosed in Note 39 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group maintains directors' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for the directors and officers of the Company and of its subsidiary companies. The amount of insurance premium paid during the financial year amounted to RM23,267.

No indemnity was given to or insurance effected for auditors of the Company during the financial year.

AUDITORS

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

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

TEONG TECK LEAN

LIM CHEE SEONG

Petaling Jaya,
16 April 2024

INDEPENDENT AUDITORS' REPORT

to the members of GDEX Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **GDEX BERHAD** which comprise the statements of financial position as of 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to financial statements, including material accounting policy information, as set out on pages 145 to 260.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023, 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT

to the members of GDEX Berhad
(Incorporated in Malaysia)
cont'd

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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.

<i>Key Audit Matter</i>	<i>Our audit performed and responses thereon</i>
<p>Revenue from express delivery services</p> <p>The Group's revenue is mainly derived from express delivery services rendered with the characteristics of large volume of transactions involving immaterial value individually. For the current financial year, the Group has recorded revenue of approximately RM343 million from express delivery, representing approximately 86% of the Group's total revenue.</p> <p>The Group tracks the rendering of express delivery services in its operating systems. Therefore, revenue recognition largely relies on the effectiveness of design, implementation and operation of the internal control relating to its operating systems.</p> <p>As there is higher inherent risk of revenue recognition in light of the large volume of express delivery and the involvement of operating systems, we considered the recognition of revenue from express delivery as a key audit matter.</p>	<p>Our audit approach includes both controls testing and substantive procedures as follows:</p> <ul style="list-style-type: none"> • Performed test on the design and implementation and operating effectiveness of relevant controls surrounding revenue recognition on express delivery services; • Involved our internal information technology specialist in understanding, evaluating and testing of general controls on the operating systems relating to revenue from express delivery; and • We agreed the sales transactions from the operating systems to the accounting system. In addition, we checked, on a sampling basis, the information in proof of delivery against the information of revenue recognised and recorded in the accounting system.

INDEPENDENT AUDITORS' REPORT

to the members of GDEX Berhad
(Incorporated in Malaysia)
cont'd

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

Key Audit Matters *cont'd*

<i>Key Audit Matter</i>	<i>Our audit performed and responses thereon</i>
<p>Goodwill arising from consolidation</p> <p>As of 31 December 2023, goodwill arising from consolidation of approximately RM29 million recorded by the Group mainly comprised the following:</p> <p>(a) approximately RM13 million arising from acquisition of 51% shareholdings in Sweetmag Solutions (M) Sdn. Bhd. and its subsidiary; and</p> <p>(b) approximately RM12 million arising from the increase in the shareholdings of Web Bytes Sdn. Bhd. from 32.69% to 38.00%.</p> <p>Determining whether the goodwill is impaired requires management estimation of the recoverable amount, which is determined based on an estimation of the present value of future cash flows expected to be generated. The key assumptions used in the estimation of the recoverable amount involves a significant degree of management judgement.</p> <p>The key assumptions used are as disclosed in Note 18 to the financial statements.</p>	<p>Our audit procedures to address this area included, among others, the following:</p> <ul style="list-style-type: none"> • Obtained understanding of management processes and controls for testing impairment of goodwill arising from consolidation; • Reviewed the impairment assessment of goodwill prepared by management and challenged the reasonableness of the key assumptions used in cash flows projections; • Involved our internal valuation specialist in reviewing the appropriateness of the valuation methodology and discount rate adopted by management in the determination of recoverable amount; • Evaluated the work of our internal valuation specialist including the relevance and reasonableness of that specialist's findings or conclusions; • Assessed for impairment by comparing the recoverable amount determined from an estimation of the present value of future cash flows expected to be generated from the key cash generating unit to its carrying amount; • Performed sensitivity analysis on management's key assumptions to assess if any reasonably possible downside changes in these assumptions can lead to impairment loss; and • Assessed the adequacy and appropriateness of the disclosures made in the financial statements.

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 GDEX Berhad

(Incorporated in Malaysia)

cont'd

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

Information Other than the Financial Statements and Auditors' Report Thereon

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 these financial statements.

INDEPENDENT AUDITORS' REPORT

to the members of GDEX Berhad
(Incorporated in Malaysia)
cont'd

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

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

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 or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITORS' REPORT

to the members of GDEX Berhad
(Incorporated in Malaysia)
cont'd

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

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

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 in Malaysia, we also report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

Other Matter

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

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

KOK PEI LOO
Partner - 03524/08/2024 J
Chartered Accountant

Kuala Lumpur,
16 April 2024

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2023

	Note	The Group		The Company	
		2023	2022	2023	2022
		RM	RM	RM	RM
Revenue	6	397,182,231	383,473,012	4,226,400	4,212,000
Other operating income	7	9,104,463	11,185,722	5,468,671	4,475,734
Direct costs	7	(125,073,269)	(103,756,949)	-	-
Staff costs	7	(222,608,320)	(221,017,726)	(4,329,409)	(4,558,718)
Depreciation of property, plant and equipment	11	(28,021,999)	(28,551,512)	(4,954)	(2,756)
Amortisation of intangible assets	12	(772,745)	(261,370)	-	-
Amortisation of right-of-use assets	13	(27,320,734)	(24,390,409)	(300,941)	(485,600)
Other operating expenses	7	(37,024,627)	(31,676,168)	(1,825,188)	(2,388,924)
Share of profits of associates	17	144,303	32,311	-	-
Finance costs	8	(5,001,435)	(4,413,906)	(35,566)	(8,761)
(Loss)/Profit before tax		(39,392,132)	(19,376,995)	3,199,013	1,242,975
Income tax credit/(expense)	9	682,018	4,033,279	(830,327)	(397,146)
(Loss)/Profit for the year		(38,710,114)	(15,343,716)	2,368,686	845,829

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2023
cont'd

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Other comprehensive income/(loss)					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		1,019,164	377,018	-	-
Items that will not be reclassified subsequently to profit or loss:					
Fair value (loss)/gain on other investments	19	(43,089)	(21,000)	19,801,375	(21,765,563)
Remeasurement of post-employment benefit obligations	29	233,815	-	20,194	-
Other comprehensive income/(loss) for the year, net of tax		1,209,890	356,018	19,821,569	(21,765,563)
Total comprehensive (loss)/income for the year, net of tax		(37,500,224)	(14,987,698)	22,190,255	(20,919,734)
(Loss)/Profit for the year attributable to:					
Owners of the parent		(34,802,517)	(17,267,877)	2,368,686	845,829
Non-controlling interests	16	(3,907,597)	1,924,161	-	-
		(38,710,114)	(15,343,716)	2,368,686	845,829
Total comprehensive (loss)/income for the year attributable to:					
Owners of the parent		(33,592,627)	(16,911,859)	22,190,255	(20,919,734)
Non-controlling interests		(3,907,597)	1,924,161	-	-
		(37,500,224)	(14,987,698)	22,190,255	(20,919,734)
Loss per ordinary share:					
Basic (sen)	10	(0.63)	(0.31)		
Diluted (sen)	10	(0.76)	(0.38)		

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

STATEMENTS OF FINANCIAL POSITION

as of 31 December 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	121,350,279	121,502,008	26,398	20,240
Intangible assets	12	1,698,563	2,339,258	-	-
Right-of-use assets	13	113,122,946	124,820,200	601,883	-
Investment properties	15	-	-	-	-
Investment in subsidiary companies	16	-	-	90,291,832	90,191,832
Investment in associates	17	33,729,175	33,584,872	415,146	415,146
Goodwill arising from consolidation	18	29,173,232	29,173,232	-	-
Other investments	19	69,411	82,500	48,596,625	28,795,250
Investment in Redeemable Convertible Preference Shares	20	2,160,000	-	2,160,000	500,000
Deferred tax assets	30	1,682,763	-	-	-
Total Non-Current Assets		302,986,369	311,502,070	142,091,884	119,922,468
Current Assets					
Inventories	23	2,905,998	2,832,783	-	-
Trade receivables	21	59,416,035	60,169,669	-	-
Other receivables, deposits and prepayments	21	30,430,046	37,404,501	703,708	220,187
Amount owing by subsidiary companies	16	-	-	128,627,993	114,814,367
Loan to a subsidiary company	17	-	-	-	1,000,000
Loan to an associate	17	2,384,000	4,230,000	-	-
Tax recoverable		14,839,332	23,425,034	1,318,424	1,427,964
Short term funds	22	100,000	19,404,627	-	19,304,627
Deposits with licensed banks	34	149,441,463	164,771,113	131,835,549	145,347,376
Cash and bank balances	34	45,116,410	42,514,281	9,166,387	3,333,650
Total Current Assets		304,633,284	354,752,008	271,652,061	285,448,171
Total Assets		607,619,653	666,254,078	413,743,945	405,370,639

STATEMENTS OF FINANCIAL POSITION

as of 31 December 2023

cont'd

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	24	337,896,408	337,896,408	337,896,408	337,896,408
Treasury shares	25	(27,634,274)	(22,928,178)	(27,634,274)	(22,928,178)
Reserves	26	106,141,399	148,046,733	100,235,836	86,358,288
Non-controlling interests	16	23,286,460	27,194,057	-	-
Total Equity		439,689,993	490,209,020	410,497,970	401,326,518
Non-Current Liabilities					
Hire-purchase payables	27	675,543	4,019,717	-	-
Bank borrowings	28	1,062,390	2,512,456	-	-
Lease liabilities	14	83,191,292	92,308,492	313,840	-
Provision for restoration costs	31	793,942	635,495	4,557	-
Provision for retirement benefits	29	799,933	932,227	5,571	23,011
Deferred tax liabilities	30	2,462,264	3,147,233	-	-
Total Non-Current Liabilities		88,985,364	103,555,620	323,968	23,011
Current Liabilities					
Trade payables	32	12,536,537	12,712,201	-	-
Other payables and accrued expenses	32	47,650,992	36,637,789	540,816	1,065,449
Provision for restoration costs	31	322,535	146,831	-	-
Amount owing to subsidiary companies	16	-	-	2,081,920	2,955,661
Hire-purchase payables	27	3,595,902	6,467,513	-	-
Bank borrowings	28	1,469,768	1,525,923	-	-
Lease liabilities	14	12,187,949	13,435,080	299,271	-
Tax liabilities		1,180,613	1,564,101	-	-
Total Current Liabilities		78,944,296	72,489,438	2,922,007	4,021,110
Total Liabilities		167,929,660	176,045,058	3,245,975	4,044,121
Total Equity and Liabilities		607,619,653	666,254,078	413,743,945	405,370,639

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

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2023

Note	Share capital	Treasury shares	Non-distributable reserves		Distributable reserve - Retained earnings	Attributable to the owners of the parent	Non-controlling interests	Total equity
			Fair value reserve	Translation reserve				
	RM	RM	RM	RM	RM	RM	RM	RM
The Group								
As of 1 January 2022	337,896,408	(20,949,330)	-	930,785	164,027,807	481,905,670	14,418,303	496,323,973
(Loss)/Profit for the year	-	-	-	-	(17,267,877)	(17,267,877)	1,924,161	(15,343,716)
Other comprehensive (loss)/income	-	-	(21,000)	377,018	-	356,018	-	356,018
Total comprehensive (loss)/income for the year	-	-	(21,000)	377,018	(17,267,877)	(16,911,859)	1,924,161	(14,987,698)
Acquisition of subsidiary companies	16	-	-	-	-	-	10,851,593	10,851,593
Shares repurchased	25	(1,978,848)	-	-	-	(1,978,848)	-	(1,978,848)
As of 31 December 2022	337,896,408	(22,928,178)	(21,000)	1,307,803	146,759,930	463,014,963	27,194,057	490,209,020

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2023

cont'd

Note	Share capital	Treasury shares	Non-distributable reserves		Distributable reserve - Retained earnings	Attributable to the owners of the parent	Non-controlling interests	Total equity
			Fair value reserve	Translation reserve				
	RM	RM	RM	RM	RM	RM	RM	RM
The Group								
As of 1 January 2023	337,896,408	(22,928,178)	(21,000)	1,307,803	146,759,930	463,014,963	27,194,057	490,209,020
Loss for the year	-	-	-	-	(34,802,517)	(34,802,517)	(3,907,597)	(38,710,114)
Other comprehensive (loss)/income	-	-	(43,089)	1,019,164	233,815	1,209,890	-	1,209,890
Total comprehensive (loss)/income for the year	-	-	(43,089)	1,019,164	(34,568,702)	(33,592,627)	(3,907,597)	(37,500,224)
Share repurchased	25	(4,706,096)	-	-	-	(4,706,096)	-	(4,706,096)
Dividends	33	-	-	-	(8,312,707)	(8,312,707)	-	(8,312,707)
As of 31 December 2023	337,896,408	(27,634,274)	(64,089)	2,326,967	103,878,521	416,403,533	23,286,460	439,689,993

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2023
cont'd

	Note	Share capital RM	Treasury shares RM	Non- distributable reserve - Fair value reserve RM	Distributable reserve - Retained earnings RM	Total equity RM
The Company						
As of 1 January 2022		337,896,408	(20,949,330)	40,695,188	66,582,834	424,225,100
Profit for the year		-	-	-	845,829	845,829
Other comprehensive loss		-	-	(21,765,563)	-	(21,765,563)
Total comprehensive (loss)/ income for the year		-	-	(21,765,563)	845,829	(20,919,734)
Shares repurchased	25	-	(1,978,848)	-	-	(1,978,848)
As of 31 December 2022		337,896,408	(22,928,178)	18,929,625	67,428,663	401,326,518
As of 1 January 2023		337,896,408	(22,928,178)	18,929,625	67,428,663	401,326,518
Profit for the year		-	-	-	2,368,686	2,368,686
Other comprehensive income		-	-	19,801,375	20,194	19,821,569
Total comprehensive income for the year		-	-	19,801,375	2,388,880	22,190,255
Shares repurchased	25	-	(4,706,096)	-	-	(4,706,096)
Dividends	33	-	-	-	(8,312,707)	(8,312,707)
As of 31 December 2023		337,896,408	(27,634,274)	38,731,000	61,504,836	410,497,970

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

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2023

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES				
(Loss)/Profit for the year	(38,710,114)	(15,343,716)	2,368,686	845,829
Adjustments for:				
Income tax (credit)/expense	(682,018)	(4,033,279)	830,327	397,146
Depreciation of property, plant and equipment	28,021,999	28,551,512	4,954	2,756
Interest expense on:				
Hire-purchase	315,883	550,818	-	-
Lease liabilities	4,365,640	3,664,897	35,344	8,761
Bank borrowings	277,021	181,883	-	-
Unwinding of discount on provision of restoration costs	42,891	16,308	222	-
Amortisation of right-of-use assets	27,320,734	24,390,409	300,941	485,600
Amortisation of intangible assets	772,745	261,370	-	-
Net remeasurement of loss allowances on trade receivables	583,756	(469,151)	-	-
Bad debts written off	280,995	141,135	-	-
Bad debts recovered	(14,470)	-	-	-
Gain on disposal of property, plant and equipment	(125,499)	(53,097)	-	-
Property, plant and equipment written off	68,817	122,425	-	-
Interest income	(6,585,150)	(3,819,530)	(5,237,438)	(3,094,291)

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2023
cont'd

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Gain on lease termination and modification	(633,338)	(1,959,468)	-	-
Provision for retirement benefits	114,554	107,486	2,754	2,546
Dividend income from:				
Short term funds	(164,196)	(1,377,618)	(164,196)	(1,377,618)
Investment in Redeemable Convertible Preference Shares	(64,800)	-	(64,800)	-
Share of profits of associates	(144,303)	(32,311)	-	-
Impairment of property, plant and equipment	1,834,279	-	-	-
Gain on previously held stake of investment in an associate	-	(1,009,644)	-	-
Gain on derecognition of investment in Redeemable Convertible Preference Shares	-	(6,886)	-	-
Operating Profit/(Loss) Before Working Capital Changes	16,875,426	29,883,543	(1,923,206)	(2,729,271)
(Increase)/Decrease in:				
Inventories	(1,197,777)	155,622	-	-
Trade receivables	(96,647)	10,941,654	-	-
Other receivables, deposits and prepayments	7,039,255	(7,607,652)	81,279	(43,332)
(Decrease)/Increase in:				
Trade payables	(175,664)	(3,212,502)	-	-
Other payables and accrued expenses	11,142,217	1,164,803	(524,633)	453,572
Cash Generated From/(Used In) Operations	33,586,810	31,325,468	(2,366,560)	(2,319,031)
Income tax refunded	10,740,581	5,774	-	-
Income tax paid	(4,240,565)	(8,808,203)	(720,787)	(1,312,566)
Retirement benefit paid	(16,500)	(6,500)	-	-
Net Cash From/(Used In) Operating Activities	40,070,326	22,516,539	(3,087,347)	(3,631,597)

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2023

cont'd

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Interest received	5,955,703	2,524,237	4,737,511	1,798,998
Proceeds from disposal of property, plant and equipment	246,009	431,414	-	-
(Increase)/Decrease in deposits with licensed banks	(83,715)	28,019,121	(2,031,059)	33,086,028
Decrease in short term funds	19,468,823	75,900,239	19,468,823	76,000,239
Additions to property, plant and equipment *	(28,580,074)	(18,536,632)	(11,112)	(22,996)
Additions to intangible assets	(132,050)	-	-	-
Loan repayment from:				
A subsidiary company	-	-	1,000,000	-
An associate	1,846,000	583,333	-	1,050,000
Loan drawdown by an associate	-	(4,230,000)	-	-
Net cash outflow on acquisition of subsidiary companies	-	(14,737,128)	-	-
Increase in investment of subsidiary companies	-	-	(100,000)	(25,760,000)
Increase in:				
Equity investments	(30,000)	(50,000)	-	-
Investment in Redeemable Convertible Preference Shares	(2,160,000)	-	(2,160,000)	-
Increase in amount owing by/(to) subsidiary companies (net)	-	-	(14,687,367)	(24,395,736)
Net Cash (Used In)/From Investing Activities	(3,469,304)	69,904,584	6,216,796	61,756,533

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2023
cont'd

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES				
Consideration paid for shares repurchased	(4,706,096)	(1,978,848)	(4,706,096)	(1,978,848)
Payments of hire-purchase	(6,215,785)	(10,137,947)	-	-
Payments of lease liabilities - principal	(25,059,179)	(23,376,572)	(285,378)	(486,089)
Additional drawdown of bank borrowings	130,410	2,424,350	-	-
Repayments of bank borrowings	(1,701,766)	(758,324)	-	-
Interest expense paid on:				
Hire-purchase payables	(315,883)	(550,818)	-	-
Lease liabilities	(4,365,640)	(3,664,897)	(35,344)	(8,761)
Bank borrowings	(277,021)	(181,883)	-	-
Dividends paid	(8,312,707)	-	(8,312,707)	-
Net Cash Used In Financing Activities	(50,823,667)	(38,224,939)	(13,339,525)	(2,473,698)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(14,222,645)	54,196,184	(10,210,076)	55,651,238
Effect of exchange differences	781,962	(456,037)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	105,780,656	52,040,509	66,600,026	10,948,788
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 34)	92,339,973	105,780,656	56,389,950	66,600,026

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2023

cont'd

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

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Purchase of:				
Property, plant and equipment	28,580,074	24,555,323	11,112	22,996
Financed by:				
Cash payments	28,580,074	18,536,632	11,112	22,996
Hire-purchase	-	6,018,691	-	-
	28,580,074	24,555,323	11,112	22,996

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

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

The principal activities of the subsidiary companies include mainly in the provision of express delivery, logistics, information technology services and property management. The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiary company are disclosed in Note 16.

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

The Company's registered office is located at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

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

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 16 April 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

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

Adoption of New and Revised Standards and Amendments to MFRSs

In the current financial year, the Group and the Company have adopted the new and revised Standard and Amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) and effective for the financial year beginning on or after 1 January 2023 as follows:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of the above new Standard and Amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and had no significant effect on the financial performance or position of the Group and of the Company, except as disclosed below:

Amendments to MFRS 101 *Disclosure of Accounting Policies*

The Group and the Company have adopted Amendments to MFRS 101 Disclosure of Accounting Policies effective from 1 January 2023. The Amendments require the disclosure of “material”, rather than “significant”, accounting policies.

Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

Although the Amendments did not result in any changes to the Group’s and the Company’s accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

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

Adoption of New and Revised Standards and Amendments to MFRSs *cont'd*

Amendments to MFRS 112 *International Tax Reform - Pillar Two Model Rules*

The Group and the Company have applied the temporary exception from accounting for deferred taxes arising from Pillar Two model rules, as provided in the International Tax Reform - Pillar Two Model Rules (Amendments to MFRS 112 Income Taxes) issued on 2 June 2023. Accordingly, the Group and the Company neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Amendments to MFRSs in Issue but Not Yet Effective

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

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to MFRS 101	Non-current Liabilities with Covenants ¹
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current ¹
Amendments to MFRS 107 and MFRS 7	Supplier Finance Agreements ¹
Amendment to MFRS 121	Lack of Exchangeability ²

¹ Effective for annual periods beginning on or after 1 January 2024.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective date deferred to a date to be determined and announced by MASB.

The directors anticipate that the abovementioned Amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Amendments to MFRSs may have an impact on the financial statements of the Group and of the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect of the said Amendments to MFRSs until the Group and the Company undertake a detailed review.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Basis of Accounting *cont'd*

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 and the Company take 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.

Subsidiary Companies and Basis of Consolidation

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Subsidiary Companies and Basis of Consolidation *cont'd*

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

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the owners of the 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 subsidiary companies to bring their accounting policies into line with the Group's accounting policies.

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

Investment in Subsidiary Companies

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

Business Combinations

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Goodwill on Consolidation

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

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

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

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Revenue

(i) Revenue from contract with customers

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Revenue *cont'd*

(i) Revenue from contract with customers *cont'd*

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

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

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 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 would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group 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 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 and the Company recognise 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 of the Group obtains control over the good or service at a point in time for express delivery services, sales of information technology products, insurance agent services, general trading and services; and over time for logistics and information technology services. The Company recognises management fee income earned from its subsidiary companies over time during the service period.

The Group and the Company recognise 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 and the Company's performance completed to date, net of sales and service tax, discounts and rebates.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Revenue *cont'd*

(ii) Interest income

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

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.

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.

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.

Borrowing Costs

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Employee Benefits

(i) 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 of the Company.

(ii) Post-Employment Benefits

(a) Defined Contribution Plan

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

(b) Defined Benefit Plan

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

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

Leases

(a) Definition of a lease

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

- the contract involves the use of an identified asset that may be specified explicitly or implicitly, and should be physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Leases *cont'd*

(a) Definition of a lease *cont'd*

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the assets is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermined how and for what purpose it will be used.

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

(b) Recognition and initial measurement

The Group and the Company as a lessee

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

Whenever the Group and the Company incur an obligation for costs to dismantle and remove a leased asset, restore the premises on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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

Lease payments included in the measurement of the lease liability comprise the fixed payments.

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Leases *cont'd*

(c) Subsequent measurement

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

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when the Group and the Company change their assessment of whether it will exercise a purchase, extension or termination option.

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 periods and items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax for current and prior year is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

(b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unabsorbed capital allowances 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Income Tax *cont'd*

(b) Deferred Tax *cont'd*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiary companies and associates, 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 expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

(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

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Investment in Associates *cont'd*

Accounting treatment

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *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.

Property, Plant and Equipment

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

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

Leasehold and freehold buildings	2%
Office equipment, furniture and fittings	10% - 20%
Computer hardware and software	10% - 50%
Tools and equipment	12.5%
Motor vehicles	12.5% - 20%
Renovation	20%
Cold room equipment	12.5%
Rackings	12.5%

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Property, Plant and Equipment *cont'd*

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 arrangement.

Intangible Assets

(a) Internally-generated intangible assets - Development expenditure

An internally-generated intangible asset arising from information technology related project is recognised when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the intangible asset will generate future economic benefits;
- adequate resources to complete the development and to use or sell the intangible asset are available; and
- the expenditures attributable to the intangible asset during its development can be reliably measured.

Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is recognised on a straight-line basis over their estimated useful lives:

Development expenditure	20% - 33.3%
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NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Intangible Assets *cont'd*

(b) Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is recognised on a straight-line basis over their estimated useful lives:

Customer relationship	20%
Internally-generated software	22%

The estimated useful lives and amortisation method of customer relationship and internally-generated software are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Management assessed that there are no material changes in estimate as of the end of the reporting period.

Inventories

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

Treasury shares

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Provisions

Provisions are recognised when the Group or the Company have a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

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

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

Financial Instruments

(a) Financial assets

Initial recognition and subsequent measurement

Financial assets of the Group and of the Company 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”); or
- (iii) Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

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

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Financial Instruments *cont'd*

(a) Financial assets *cont'd*

Initial recognition and subsequent measurement *cont'd*

Financial assets at amortised cost (debt instruments) *cont'd*

All of the financial assets of the Group and the Company are measured at amortised cost unless otherwise stated. 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 profit or loss ("FVTPL")

The investment in Redeemable Convertible Preference Shares and short term funds of the Group and of the Company are measured at FVTPL. Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in profit or loss.

Equity instruments designated as at FVTOCI

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

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

The Group and the Company designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition (see Note 19).

Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Financial Instruments *cont'd*

(a) Financial assets *cont'd*

Derecognition *cont'd*

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.

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 of the Group and of the Company for all instruments measured at amortised cost except trade receivables 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.

ECLs of the trade receivable of the Group 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).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Financial Instruments *cont'd*

(a) Financial assets *cont'd*

Impairment of financial assets *cont'd*

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 subsequent measurement

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

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of the financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *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 policy, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as follows:

(a) Impairment of property, plant and equipment

The Group assesses whether there is any indication that property, plant and equipment may be impaired. If any such indication exists, the management will estimate the recoverable amount of the asset. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. Management assessed that the economic performance of certain assets of the subsidiary companies which resulted in a lower recoverable amount as compared to the net carrying amount of these assets as of 31 December 2023. The Group made an impairment loss on property, plant and equipment of RM1,834,279 during the financial year ended 31 December 2023. Details of the impairment loss made on property, plant and equipment of the Group are disclosed in Note 11.

(b) Impairment of goodwill and intangible assets acquired in business combination

Determining whether goodwill and intangible assets acquired in business combination are impaired require an estimation of the recoverable amount of the cash-generating units ("CGUs") to which goodwill has been allocated and the identified intangible assets acquired in business combination.

The value-in-use of each CGU requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable pre-tax discount rate in order to calculate the present value of those cash flows in reviewing the impairment of goodwill and intangible assets acquired in business combination of the CGU.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

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

(ii) Key sources of estimation uncertainty *cont'd*

(b) Impairment of goodwill and intangible assets acquired in business combination *cont'd*

The carrying amount of goodwill arising from consolidation and intangible assets acquired in business combination as of the end of the reporting period are RM29,173,232 (2022: RM29,173,232) and RM1,461,848 (2022: RM2,100,110) respectively with no impairment loss recognised during the current financial year.

(c) Impairment of trade receivables

The Group records impairment losses on its trade receivables using ECL models. The impairment losses computed based on the ECL models requires judgement to ensure impairment losses recorded reflect the credit risk of the Group's trade receivables in accordance with the requirements of MFRS 9. Areas of judgement includes determination of criteria for significant increase in credit risk and selection of appropriate ECL models. Details of impairment losses of the Group's trade receivables are disclosed in Note 21.

5. SEGMENT REPORTING

Operating segments

The Group has four (2022: four) main operating segments and operates predominantly in Malaysia, Singapore, Vietnam and Indonesia, which are the Group's strategic business units. The strategic business units offer different services and are managed separately because they require different resources management and marketing strategies.

The following summary describe the operations in each of the Group's reportable operating segments:

- (i) Express delivery - provision of express delivery services.
- (ii) Logistics - logistics, operation and freight distribution.
- (iii) Information technology - web design, e-commerce, website development, business software solutions and other related services, and cyber security consulting.
- (iv) Property management - property, facilities and assets management services.
- (v) Others - cafe operator, investment holding, general trading, insurance agent services and training provider.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

5. SEGMENT REPORTING *cont'd*

Operating segments *cont'd*

The following is an analysis of the Group's revenue and results by the operating segments:

	The Group			
	Segment Revenue		Segment (Loss)/Profit	
	2023	2022	2023	2022
	RM	RM	RM	RM
Express delivery	343,214,780	346,007,498	(18,996,911)	(8,797,756)
Logistics	19,418,558	22,857,349	(12,468,363)	(4,513,326)
Information technology	33,445,853	13,726,662	(881,929)	1,318,444
Property management	-	-	(2,883,186)	(2,801,403)
Others	1,103,040	881,503	695,389	(201,359)
Total	397,182,231	383,473,012	(34,535,000)	(14,995,400)
Finance costs			(5,001,435)	(4,413,906)
Share of profits of associates			144,303	32,311
Loss before tax			(39,392,132)	(19,376,995)

Revenue shown above represents revenue generated from external customers. All inter-company transactions have been eliminated on consolidation level.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

5. SEGMENT REPORTING *cont'd*

Operating segments *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	
	2023	2022
	RM	RM
Segment Assets		
Express delivery	478,637,927	474,833,843
Logistics	28,980,395	93,455,101
Information technology	34,415,310	29,390,463
Property management	42,957,033	44,557,685
Others	6,106,893	591,952
	591,097,558	642,829,044
Unallocated assets*		
- Tax recoverable	14,839,332	23,425,034
- Deferred tax assets	1,682,763	-
	607,619,653	666,254,078
Segment Liabilities		
Express delivery	138,562,035	118,199,170
Logistics	12,287,754	43,617,497
Information technology	12,955,820	8,854,311
Property management	417,442	634,461
Others	63,732	28,285
	164,286,783	171,333,724
Unallocated liabilities*		
- Tax liabilities	1,180,613	1,564,101
- Deferred tax liabilities	2,462,264	3,147,233
	167,929,660	176,045,058

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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5. SEGMENT REPORTING *cont'd*

Operating segments *cont'd*

	The Group Other Segment Information	
	2023 RM	2022 RM
Other Segment Information		
Additions to property, plant and equipment		
- Express delivery	24,050,571	18,833,639
- Logistics	3,022,363	4,925,238
- Information technology	1,268,091	409,085
- Property management	239,049	72,273
- Others	-	315,088
Depreciation of property, plant and equipment		
- Express delivery	23,307,782	24,925,526
- Logistics	2,263,769	1,737,493
- Information technology	965,651	213,925
- Property management	1,475,634	1,619,506
- Others	9,163	55,062
Impairment of property, plant and equipment		
- Express delivery	293,154	-
- Logistics	1,541,125	-
Additions to right-of-use assets		
- Express delivery	20,526,433	79,531,547
- Logistics	1,527,028	25,405,678
- Information technology	815,718	101,336
Amortisation of right-of-use assets		
- Express delivery	15,806,435	15,586,027
- Logistics	10,673,957	8,203,109
- Information technology	429,892	103,103
- Property management	409,118	409,120
- Others	1,332	89,050

* 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

5. SEGMENT REPORTING *cont'd*

Geographical segments

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

	The Group	
	Revenue By	
	Geographical Market	
	2023	2022
	RM	RM
Malaysia	331,271,055	315,615,968
Singapore	2,936,743	2,351,381
Vietnam	62,561,051	65,487,888
Indonesia	413,382	17,775
	397,182,231	383,473,012

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	
	2023	2022
	RM	RM
Malaysia	288,841,529	297,417,501
Singapore	605,165	894,892
Vietnam	13,537,467	13,189,677
Indonesia	2,208	-
	302,986,369	311,502,070

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

6. REVENUE

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Income from provision of services:				
Express delivery	343,214,780	346,007,498	-	-
Logistics	19,418,558	22,857,349	-	-
Information technology	33,445,853	13,726,662	-	-
Insurance agent	689,659	634,512	-	-
General trading and services	413,381	246,991	-	-
Management fee	-	-	4,226,400	4,212,000
	397,182,231	383,473,012	4,226,400	4,212,000

Revenue of the Group and of the Company consists of revenue earned from services which is transferred at a point in time and over time, net of discounts, rebates and compensation in relation to the service performed are as follows:

	The Group	
	2023	2022
	RM	RM
<u>Point-in-time</u>		
Express delivery services	343,214,780	346,007,498
Sales of information technology products	5,387,547	1,270,565
Insurance agent services	689,659	634,512
General trading and services	413,381	246,991
<u>Over time</u>		
Logistics services	19,418,558	22,857,349
Information technology services	28,058,306	12,456,097
	397,182,231	383,473,012

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

6. REVENUE *cont'd*

	The Company	
	2023	2022
	RM	RM
Over time		
Management fee	4,226,400	4,212,000

As of the end of reporting period, there are performance obligations that are unsatisfied or partially satisfied as the Group has right to invoice the customer before express delivery services, and website development and supporting services provided by the Group. The transaction price allocated to the unsatisfied performance obligation as of 31 December 2023 is RM6,618,209 (2022: RM2,349,655). The remaining performance obligations are expected to be recognised within one year.

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	
	2023	2022	2023	2022
	RM	RM	RM	RM
Interest income:				
Deposits with licensed banks	6,585,150	3,694,751	5,214,521	2,950,116
Loan to:				
A subsidiary company (Note 35)	-	-	22,917	24,306
An associate (Note 35)	-	46,923	-	46,923
Others	-	77,856	-	72,946
Dividend income from:				
Short term funds	164,196	1,377,618	164,196	1,377,618
Investment in Redeemable Convertible Preference Shares	64,800	-	64,800	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

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

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Direct costs:				
Transportation	(101,423,043)	(88,458,327)	-	-
Warehouse charges	(8,071,733)	(8,853,462)	-	-
Telephone charges	(3,083,573)	(2,107,329)	-	-
Others	(12,494,920)	(4,337,831)	-	-
Rental expenses	(822,505)	(945,575)	-	-
Rental income of warehouse and premises	18,441	44,990	-	-
Impairment of property, plant and equipment (Note 11)	(1,834,279)	-	-	-
Gain on disposal of property, plant and equipment	125,499	53,097	-	-
Property, plant and equipment written off	(68,817)	(122,425)	-	-
Directors' remuneration:				
Fees	(450,000)	(450,000)	(450,000)	(450,000)
Salaries and other emoluments	(1,079,583)	(1,093,308)	(1,063,810)	(1,077,310)
EPF	(86,570)	(76,290)	(86,570)	(76,290)
Auditors' remuneration:				
Statutory audit:				
Auditors of the Company	(339,950)	(349,500)	(237,250)	(251,500)
Other auditors	(267,572)	(150,406)	-	-
Non-audit services:				
Auditors of the Company	(5,800)	(5,500)	(5,800)	(5,500)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

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

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Net remeasurement of loss allowances on trade receivables (Note 21)	(583,756)	469,151	-	-
Bad debts written off	(280,995)	(141,135)	-	-
Bad debts recovered	14,470	-	-	-
Gain/(Loss) on foreign exchange	4,534	(61,180)	14,207	18,231
Provision for retirement benefits (Note 29)	(114,554)	(107,486)	(2,754)	(2,546)
Gain on lease termination and modification	633,338	1,959,468	-	-
Gain on previously held stake of investment in an associate	-	1,009,644	-	-
Gain on derecognition of investment in Redeemable Convertible Preference Shares	-	6,886	-	-

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 RM17,781,006 and RM351,666 (2022: RM17,889,184 and RM334,383) respectively.

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

Compensation of Key Management Personnel

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

	The Group and the Company	
	2023	2022
	RM	RM
Short-term employee benefits	1,176,306	784,887
Defined contribution plans	140,044	88,140
	1,316,350	873,027

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

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

Compensation of Key Management Personnel *cont'd*

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

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Executive Directors:				
Salaries and other emoluments	1,031,183	1,046,508	1,015,410	1,030,510
Defined contribution plan	86,570	76,290	86,570	76,290
	1,117,753	1,122,798	1,101,980	1,106,800
Non-Executive Directors:				
Fees	450,000	450,000	450,000	450,000
Other emoluments	48,400	46,800	48,400	46,800
	498,400	496,800	498,400	496,800
	1,616,153	1,619,598	1,600,380	1,603,600

8. FINANCE COSTS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Interest on:				
Hire-purchase	315,883	550,818	-	-
Lease liabilities	4,365,640	3,664,897	35,344	8,761
Bank borrowings	277,021	181,883	-	-
Unwinding of discount on provision of restoration costs (Note 31)	42,891	16,308	222	-
	5,001,435	4,413,906	35,566	8,761

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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9. INCOME TAX (CREDIT)/EXPENSE

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Estimated tax payable:				
Current year	2,320,416	3,245,668	909,186	481,420
Overprovision in prior years	(618,218)	(738,381)	(78,859)	(84,274)
	1,702,198	2,507,287	830,327	397,146
Deferred tax (Note 30):				
Current year	(1,378,339)	(4,578,269)	-	-
Overprovision in prior years	(1,005,877)	(1,962,297)	-	-
	(2,384,216)	(6,540,566)	-	-
	(682,018)	(4,033,279)	830,327	397,146

A reconciliation of income tax (credit)/expense applicable to (loss)/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 of the Company are as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
(Loss)/Profit before tax	(39,392,132)	(19,376,995)	3,199,013	1,242,975
Tax at tax rate of 24% (2022: 24%)	(9,454,112)	(4,650,479)	767,763	298,314
Effect of different tax rates	410,933	(106,230)	-	-
Tax effects of:				
Income not taxable	(520,871)	(278,997)	-	-
Expenses not deductible	2,865,950	2,185,270	141,423	183,106
Utilisation of deferred tax assets previously not recognised	(71,905)	-	-	-
Deferred tax assets not recognised	7,712,082	1,517,835	-	-
Overprovision in prior years:				
Current tax	(618,218)	(738,381)	(78,859)	(84,274)
Deferred tax	(1,005,877)	(1,962,297)	-	-
Income tax (credit)/expense	(682,018)	(4,033,279)	830,327	397,146

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

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

As of 31 December 2023, the estimated amount of deductible temporary differences, unabsorbed capital allowances and unused tax losses of certain subsidiary companies of the Company, for which the deferred tax assets have not been recognised in the financial statements due to uncertainty of their realisation, is as follows:

	The Group	
	2023	2022
	RM	RM
Temporary differences arising from:		
Property, plant and equipment	(30,448,039)	(34,984,608)
Timing differences between right-of-use assets and lease liabilities	2,594,739	1,125,182
Trade receivables	1,807,659	2,044,147
Deferred revenue	1,692,173	1,745,128
Deferred expenses	(749,550)	(744,407)
Provision for retirement benefits	741,309	818,926
Provision of restoration costs	831,594	617,431
Unused tax losses	21,892,482	12,699,764
Unabsorbed capital allowances	43,399,479	26,606,211
	41,761,846	9,927,774

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

The unused tax losses will be disregarded upon expiry of the 10 years from the year of assessment as follows:

Year of assessment	Year of assessment to be disregarded	The Group	
		2023	2022
		RM	RM
2018	2029	655,429	655,429
2019	2030	145,782	145,782
2020	2031	118,000	118,000
2021	2032	123,213	136,161
2022	2033	9,060,815	9,263,799
2023	2034	8,251,713	-
		18,354,952	10,319,171

NOTES TO THE FINANCIAL STATEMENTS

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

The unused tax losses amounting to RM3,537,530 (2022: RM2,380,593) pertaining to a foreign subsidiary company does not have an expiry date.

On 23 October 2020, GD Express Sdn. Bhd., a subsidiary company of the Company, was granted pioneer status for a period of 5 years under Income Tax (Exemption) (No.11) Order 2006, Income Tax Act 1967 for the Integrated Logistics Services, ILS, for the expansion projects and activities under E-commerce, E-fulfilment. By virtue of the pioneer status, 70% of the statutory income arising on these activities of the subsidiary company during the financial year will be exempted from income tax. The commencement date of the pioneer status under ILS is yet to be determined by the subsidiary company as the subsidiary company had applied the extension of time in getting the Pioneer Certificate in prior financial year. During current financial year, the subsidiary company had obtained approval on the extension of time in which the commencement date will be effective from 22 October 2023. The subsidiary company is currently applying for conversion of pioneer status to investment tax allowance.

Sweetmag Digital (M) Sdn. Bhd., a subsidiary company of Sweetmag Solutions (M) Sdn. Bhd., has been granted with a Multimedia Super Corridor ("MSC") status with pioneer income tax exemption under Section 7 of the Promotion of Investments Act, 1986 for a period of 5 years with a further extension of another 5 years whereby the subsidiary company's statutory income from its principal activities is exempted from income tax commencing from 13 September 2022 subject to the subsidiary company achieving certain criteria set by the Malaysia Digital Economy Corporation Sdn. Bhd..

10. LOSS PER ORDINARY SHARE

Basic

The basic loss per ordinary share of the Group has been calculated by dividing the Group's loss 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	
	2023	2022
	RM	RM
Loss attributable to owners of the Company	(34,802,517)	(17,267,877)
Weighted average number of ordinary shares	5,546,106,585	5,579,145,002
Basic loss per ordinary share (sen)	(0.63)	(0.31)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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10. LOSS PER ORDINARY SHARE *cont'd*

Diluted

The diluted loss per share of the Group has been calculated by dividing the Group's loss 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	
	2023	2022
	RM	RM
Loss attributable to owners of the Company	(34,802,517)	(17,267,877)
Weighted average number of ordinary shares	5,546,106,585	5,579,145,002
Effect of dilution:		
Warrants	(983,579,273)	(1,006,203,573)
Adjusted weighted average number of ordinary share	4,562,527,312	4,572,941,429
Diluted loss per share (sen)	(0.76)	(0.38)

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for the financial year ended 31 December 2023

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11. PROPERTY, PLANT AND EQUIPMENT

The Group	Capital-in - progress RM	Leasehold and freehold buildings RM	Office equipment, furniture and fittings RM	Computer hardware and software RM	Tools and equipment RM	Motor vehicles RM	Renovation RM	Total RM
Cost								
As of 1 January 2022	556,848	28,149,803	22,516,977	21,839,652	17,780,120	153,221,636	25,349,036	269,414,072
Additions	1,007,956	-	1,464,340	3,911,125	3,485,460	9,580,055	5,106,387	24,555,323
Acquisition of subsidiary companies (Note 16)	-	-	710,641	1,038,783	-	153,609	492,479	2,395,512
Reclassification from prepayments	-	-	-	-	-	309,552	-	309,552
Transfer from investment properties (Note 15)	-	2,605,000	-	-	-	-	-	2,605,000
Disposals	-	-	(109,514)	(372,926)	(97,318)	(1,025,407)	(111,803)	(1,716,968)
Written off	-	-	(732,479)	(262,218)	(257,146)	-	-	(1,251,843)
Exchange differences	9,128	-	63,294	18,239	-	210,151	12,704	313,516
As of 31 December 2022	1,573,932	30,754,803	23,913,259	26,172,655	20,911,116	162,449,596	30,848,803	296,624,164

The Group	Capital-in - progress RM	Leasehold and freehold buildings RM	Office equipment, furniture and fittings RM	Computer hardware and software RM	Tools and equipment RM	Motor vehicles RM	Renovation RM	Cold room equipment RM	Rackings RM	Total RM
Cost										
As of 1 January 2023	1,573,932	30,754,803	23,913,259	26,172,655	20,911,116	162,449,596	30,848,803	-	-	296,624,164
Additions	940,731	-	1,087,273	2,185,674	16,652,836	198,000	7,515,560	-	-	28,580,074
Disposals	-	-	(179,348)	(385,746)	(6,012)	(1,453,125)	(24,800)	-	-	(2,049,031)
Written off	-	-	(78,104)	(477,382)	(1,529,778)	-	(174,667)	-	-	(2,259,931)
Adjustment	-	-	-	1,124,562	-	-	-	-	-	1,124,562
Reclassifications	(1,599,318)	-	(8,560)	1,577,718	(2,313,764)	-	-	387,924	1,956,000	-
Exchange differences	25,386	-	65,202	19,817	-	284,467	14,105	-	-	408,977
As of 31 December 2023	940,731	30,754,803	24,799,722	30,217,298	33,714,398	161,478,938	38,179,001	387,924	1,956,000	322,428,815

NOTES TO THE FINANCIAL STATEMENTS

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

The Group	Capital-in - progress RM	Leasehold and freehold buildings RM	Office equipment, furniture and fittings RM	Computer hardware and software RM	Tools and equipment RM	Motor vehicles RM	Renovation RM	Total RM
Accumulated Depreciation								
As of 1 January 2022	-	2,357,418	15,916,740	13,357,787	9,944,098	88,443,879	17,446,648	147,466,570
Charge for the year	-	612,881	2,744,720	4,117,186	1,710,733	15,741,342	3,624,650	28,551,512
Acquisition of subsidiary companies (Note 16)	-	-	452,911	690,818	-	75,444	189,648	1,408,821
Disposals	-	-	(39,096)	(275,706)	(9,586)	(999,213)	(15,050)	(1,338,651)
Written off	-	-	(669,640)	(256,196)	(203,582)	-	-	(1,129,418)
Exchange differences	-	-	31,918	3,753	-	114,947	12,704	163,322
As of 31 December 2022	-	2,970,299	18,437,553	17,637,642	11,441,663	103,376,399	21,258,600	175,122,156

The Group	Capital-in - progress RM	Leasehold and freehold buildings RM	Office equipment, furniture and fittings RM	Computer hardware and software RM	Tools and equipment RM	Motor vehicles RM	Renovation RM	Cold room equipment RM	Rackings RM	Total RM
Accumulated Depreciation										
As of 1 January 2023	-	2,970,299	18,437,553	17,637,642	11,441,663	103,376,399	21,258,600	-	-	175,122,156
Charge for the year	-	612,881	1,305,047	3,859,461	3,123,859	14,746,041	4,374,710	-	-	28,021,999
Reclassification	-	-	(2,005)	(7,920)	(349,579)	-	-	94,629	264,875	-
Disposals	-	-	(159,358)	(370,525)	(3,761)	(1,387,720)	(7,157)	-	-	(1,928,521)
Written off	-	-	(58,787)	(475,620)	(1,527,577)	-	(129,130)	-	-	(2,191,114)
Exchange differences	-	-	62,816	4,655	-	138,163	14,103	-	-	219,737
As of 31 December 2023	-	3,583,180	19,585,266	20,647,693	12,684,605	116,872,883	25,511,126	94,629	264,875	199,244,257

NOTES TO THE FINANCIAL STATEMENTS

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

The Group	Capital- in- progress RM	Leasehold and freehold buildings RM	Office equipment, furniture and fittings RM	Computer hardware and software RM	Tools and equipment RM	Motor vehicles RM	Renovation RM	Cold room equipment RM	Rackings RM	Total RM
Accumulated Impairment Loss										
As of 1 January 2022/31 December 2022/1 January 2023	-	-	-	-	-	-	-	-	-	-
Impairment loss for the year	-	-	-	-	-	-	-	293,154	1,541,125	1,834,279
As of 31 December 2023	-	-	-	-	-	-	-	293,154	1,541,125	1,834,279
Net Book Value										
As of 31 December 2023	940,731	27,171,623	5,214,456	9,569,605	21,029,793	44,606,055	12,667,875	141	150,000	121,350,279
As of 31 December 2022	1,573,932	27,784,504	5,475,706	8,535,013	9,469,453	59,073,197	9,590,203	-	-	121,502,008

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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

The Company	Office equipment, furniture and fittings RM	Computer hardware and software RM	Total RM
Cost			
As of 1 January 2022	-	-	-
Additions	8,200	14,796	22,996
As of 31 December 2022/1 January 2023	8,200	14,796	22,996
Additions	850	10,262	11,112
As of 31 December 2023	9,050	25,058	34,108
Accumulated Depreciation			
As of 1 January 2022	-	-	-
Charge for the year	940	1,816	2,756
As of 31 December 2022/1 January 2023	940	1,816	2,756
Charge for the year	1,096	3,858	4,954
As of 31 December 2023	2,036	5,674	7,710
Net Book Value			
As of 31 December 2023	7,014	19,384	26,398
As of 31 December 2022	7,260	12,980	20,240

Included in property, plant and equipment of the Group are motor vehicles under hire-purchase and mortgage loans arrangements with net book value of approximately RM20,696,251 (2022: RM39,305,970) and RM6,682,931 (2022: RM6,657,963) respectively. These motor vehicles have been charged to local licensed banks for hire-purchase and mortgage loans obligations as disclosed in Notes 27 and 28.

Included in the cost of property, plant and equipment of the Group is an amount of RM83,539,467 (2022: RM57,810,988) representing fully depreciated property, plant and equipment which are still in use by the Group.

During the current financial year, the Group has carried out an impairment review of its property, plant and equipment. An impairment loss of RM1,834,279 has been made on cold room equipment and rackings. The impairment loss recognised in profit or loss represents the excess of the carrying amount over the recoverable amount (determined on net selling price basis) of the cold room equipment and rackings.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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12. INTANGIBLE ASSETS

The Group	Development expenditure RM	Customer relationship RM	Internally generated software RM	Total RM
Cost				
As of 1 January 2022	-	-	-	-
Acquisition of subsidiary companies (Note 16)	2,121,012	955,593	1,144,517	4,221,122
As of 31 December 2022/1 January 2023	2,121,012	955,593	1,144,517	4,221,122
Additions	132,050	-	-	132,050
As of 31 December 2023	2,253,062	955,593	1,144,517	4,353,172
Accumulated Amortisation				
As of 1 January 2022	-	-	-	-
Acquisition of subsidiary companies (Note 16)	1,620,494	-	-	1,620,494
Amortisation charge for the year	261,370	-	-	261,370
As of 31 December 2022/1 January 2023	1,881,864	-	-	1,881,864
Amortisation charge for the year	134,483	271,153	367,109	772,745
As of 31 December 2023	2,016,347	271,153	367,109	2,654,609
Net Carrying Amount				
As of 31 December 2023	236,715	684,440	777,408	1,698,563
As of 31 December 2022	239,148	955,593	1,144,517	2,339,258

Development expenditure principally comprise internally generated expenditure incurred by a subsidiary company, Web Bytes Sdn. Bhd. on its major information technology projects where it is reasonably anticipated that the costs will be recovered through future commercial activities.

Intangible assets pertaining to customer relationship and internally generated software arose from the acquisition of subsidiary companies, namely Web Bytes Sdn. Bhd. and Sweetmag Solutions (M) Sdn. Bhd. in prior financial year.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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13. RIGHT-OF-USE ASSETS

The Group	Long-term Leasehold Land RM	Leased Properties RM	Motor Vehicles RM	Total RM
Cost				
As of 1 January 2022	27,498,182	103,934,863	136,066	131,569,111
Additions	-	104,943,595	94,966	105,038,561
Acquisition of subsidiary companies (Note 16)	-	786,447	-	786,447
Derecognition arising from:				
Lease expiration	-	(9,822,811)	(46,845)	(9,869,656)
Lease termination	-	(1,730,031)	-	(1,730,031)
Lease modification	-	(63,372,932)	-	(63,372,932)
Exchange differences	-	84,530	6,904	91,434
As of 31 December 2022/1 January 2023	27,498,182	134,823,661	191,091	162,512,934
Additions	-	22,762,098	107,081	22,869,179
Derecognition arising from:				
Lease expiration	-	(10,504,258)	(203,038)	(10,707,296)
Lease termination	-	(7,529,112)	-	(7,529,112)
Lease modification	-	(4,528,256)	-	(4,528,256)
Exchange differences	-	115,902	11,948	127,850
As of 31 December 2023	27,498,182	135,140,035	107,082	162,745,299

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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13. RIGHT-OF-USE ASSETS *cont'd*

The Group	Long-term Leasehold Land RM	Leased Properties RM	Motor Vehicles RM	Total RM
Accumulated Amortisation				
As of 1 January 2022	6,274,987	39,791,374	78,616	46,144,977
Amortisation charge for the year	558,382	23,684,063	147,964	24,390,409
Acquisition of subsidiary companies (Note 16)	-	413,856	-	413,856
Derecognition arising from:				
Lease expiration	-	(9,822,811)	(46,845)	(9,869,656)
Lease termination	-	(273,175)	-	(273,175)
Lease modification	-	(23,192,011)	-	(23,192,011)
Exchange differences	-	71,015	7,319	78,334
As of 31 December 2022/1 January 2023	6,833,369	30,672,311	187,054	37,692,734
Amortisation charge for the year	558,379	26,662,278	100,077	27,320,734
Derecognition arising from:				
Lease expiration	-	(10,387,196)	(203,038)	(10,590,234)
Lease termination	-	(3,519,605)	-	(3,519,605)
Lease modification	-	(1,308,336)	-	(1,308,336)
Exchange differences	-	12,994	14,066	27,060
As of 31 December 2023	7,391,748	42,132,446	98,159	49,622,353
Net Carrying Amount				
As of 31 December 2023	20,106,434	93,007,589	8,923	113,122,946
As of 31 December 2022	20,664,813	104,151,350	4,037	124,820,200

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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13. RIGHT-OF-USE ASSETS *cont'd*

The Company	Leased Properties RM
Cost	
As of 1 January 2022	314,669
Addition	195,136
Derecognition arising from lease expiration	(509,805)
As of 31 December 2023	-
Addition	902,824
As of 31 December 2023	902,824
Accumulated Amortisation	
As of 1 January 2022	24,205
Amortisation charge for the year	485,600
Derecognition arising from lease expiration	(509,805)
As of 31 December 2022/1 January 2023	-
Amortisation charge for the year	300,941
As of 31 December 2023	300,941
Net Carrying Amount	
As of 31 December 2023	601,883
As of 31 December 2022	-

The Group's right-of-use assets consists of long-term leasehold land, leased properties and motor vehicles. The lease terms for lease properties and motor vehicles range from 1 to 14 years (2022: 1 to 15 years).

The Company's right-of-use assets consist of leased properties. The lease term for leased properties ranges from 12 to 13 months (2022: 12 to 13 months).

The additions of right-of-use assets of RM22,869,179 (2022: RM105,038,561) and RM902,824 (2022: RMNil) for the Group and the Company respectively during the current financial year were made to replace expired contracts either by new leases for identical underlying assets or extended through exercising extension options.

Included in the Group's and the Company's addition of right-of-use assets is an amount of RM426,653 (2022: RM765,940) and RM4,335 (2022: RMNil) which represents provision of restoration costs for the leases entered during the current financial year as disclosed in Note 31.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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13. RIGHT-OF-USE ASSETS *cont'd*

Long-term leasehold land relates to:

- (i) Lease of land for the Group's factory building at No. 19, and lease of vacant land at No. 21 for car park purposes, located at Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia for which the cost amounted to RM7,398,658 (2022: RM7,398,658). These lands were amalgamated under a new land title at Lot No. PT43, Seksyen 20, which was issued on 27 August 2016. The amalgamated leasehold land is leased over a period of 99 years expiring on 13 August 2056. The Group does not have an option to purchase the leasehold interest in land at the expiry of the lease period. The amalgamated leasehold land is amortised over the period of its remaining lease term of 33 years (2022: 34 years).
- (ii) Lease of land for the Group's factory building at No. 17 Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia for which the cost amounted to RM16,619,756 (2022: 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 35 years (2022: 36 years).
- (iii) Lease of land for the Group's factory building at 8 ½ Mile, Batu Kitang Road, Kuching for which the cost amounted to RM3,479,768 (2022: RM3,479,768). The land for the factory building and office is leased over a period of 60 years expiring on 23 October 2076. The Group does not have an option to purchase the leasehold land at the expiry of the lease period. The leasehold land is amortised over the period of its remaining lease term of 53 years (2022: 54 years).

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Amount recognised in profit or loss:				
Amortisation of right-of-use assets	27,320,734	24,390,409	300,941	485,600
Expenses relating to short-term leases (Note 7)	605,405	700,605	-	-
Expenses relating to leases of low value assets (Note 7)	217,100	244,970	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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14. LEASE LIABILITIES

The maturity analysis of the lease liabilities are as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Maturity analysis:				
Less than 1 year	16,785,165	17,030,646	320,723	-
1 to 2 years	40,422,769	42,291,948	320,722	-
2 to 5 years	19,113,453	26,018,877	-	-
More than 5 years	38,934,322	43,053,142	-	-
Undiscounted lease liabilities	115,255,709	128,394,613	641,445	-
Less: Unearned interest	(19,876,468)	(22,651,041)	(28,334)	-
Present value of lease liabilities	95,379,241	105,743,572	613,111	-

The lease liabilities component is analysed as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Non-current	83,191,292	92,308,492	313,840	-
Current	12,187,949	13,435,080	299,271	-
	95,379,241	105,743,572	613,111	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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14. LEASE LIABILITIES *cont'd*

The currency exposure profile of lease liabilities is as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Ringgit Malaysia	92,331,056	101,731,027	613,111	-
Singapore Dollar	356,949	541,700	-	-
Vietnamese Dong	2,691,236	3,470,845	-	-
	95,379,241	105,743,572	613,111	-

The Group and the Company do not face a significant liquidity risk with regard to their lease liabilities.

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Amount recognised in profit or loss:				
Interest expense on lease liabilities (Note 8)	4,365,640	3,664,897	35,344	8,761

15. INVESTMENT PROPERTIES

The Group	At fair value Freehold Properties RM
As of 1 January 2022	2,605,000
Transfer to property, plant and equipment (Note 11)	(2,605,000)
As of 31 December 2022/1 January 2023/31 December 2023	-

NOTES TO THE FINANCIAL STATEMENTS

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16. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2023	2022
	RM	RM
Unquoted shares - at cost:		
At beginning of year	93,175,356	59,715,356
Additions during the year	100,000	25,760,000
Reclassification from investment in an associate (Note 17)	-	7,700,000
At end of year	93,275,356	93,175,356
Less: Accumulated impairment loss	(2,983,524)	(2,983,524)
Net	90,291,832	90,191,832

During the current financial year, the directors reviewed the Company's investment in subsidiary companies for indication of impairment and concluded that the accumulated impairment loss of RM2,983,524 (2022: RM2,983,524) is deemed adequate in respect of investment in subsidiary companies.

Details of the subsidiary companies are as follows:

Name	Country of Incorporation	Proportion of ownership interest and voting power held by the Group		Principal Activities
		2023	2022	
		%	%	
Direct subsidiary companies				
GD Express Sdn. Bhd.	Malaysia	100	100	Provision of express delivery services
GD Venture (M) Sdn. Bhd.	Malaysia	100	100	Provision of transportation services to related company and third party
GDEX SEA Sdn. Bhd.	Malaysia	100	100	Investment holding
GD Logistics (M) Sdn. Bhd.*	Malaysia	100	100	Logistics operations
GD Facilities & Assets Management Sdn. Bhd.*	Malaysia	100	100	Provision of facilities and assets management services

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16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Details of the subsidiary companies are as follows: *cont'd*

Name	Country of Incorporation	Proportion of ownership interest and voting power held by the Group		Principal Activities
		2023 %	2022 %	
Direct subsidiary companies <i>cont'd</i>				
GD Valueguard Sdn. Bhd.*	Malaysia	100	100	Insurance agent services
GD Express (Singapore) Pte. Ltd.*	Singapore	100	100	Provision of express delivery services
GDEX Regional Alliance Pte. Ltd.*	Singapore	100	100	Dormant
PT Gede Advisory Indonesia ("PT Gede") #	Indonesia	100	100	Provision of advisory services
Noi Bai Express and Trading Joint Stock Company ("NETCO") *	Vietnam	50	50	Provision of express delivery services
VIVL Pte. Ltd. ("VIVL") *	Singapore	90	90	Provision of advisory services
Sweetmag Solutions (M) Sdn. Bhd. *	Malaysia	51	51	Web design, consulting, e-commerce and website development
Web Bytes Sdn. Bhd. *	Malaysia	38	38	Provision of business software solutions and other related services
Anon Security Sdn. Bhd. *	Malaysia	60	60	Cyber security software provider and consultation
Frontier Scion Sdn. Bhd.*	Malaysia	100	-	Provision of training services

NOTES TO THE FINANCIAL STATEMENTS

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16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Details of the subsidiary companies are as follows: *cont'd*

Name	Country of Incorporation	Proportion of ownership interest and voting power held by the Group		Principal Activities
		2023 %	2022 %	
Indirect subsidiary companies held through GD Logistics (M) Sdn. Bhd.				
GD Secured Solutions Sdn. Bhd.*	Malaysia	100	100	Provision of express delivery services
GD Distribution Services Sdn. Bhd.*	Malaysia	100	100	Dormant
GD Customised Solution Sdn. Bhd.*	Malaysia	100	100	Insurance agent services
Indirect subsidiary company held through GD Facilities & Assets Management Sdn. Bhd.				
GDEX Properties Sdn. Bhd. *	Malaysia	100	100	Property management
Indirect subsidiary companies held through Sweetmag Solutions (M) Sdn. Bhd.				
Sweetmag Digital (M) Sdn. Bhd. *	Malaysia	100	100	Digital agency with services of consulting, designing, developing and supporting robust ecommerce and corporate website solutions
Sweetmag Digital Pte. Ltd.*	Singapore	100	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd**16. INVESTMENT IN SUBSIDIARY COMPANIES** *cont'd*Details of the subsidiary companies are as follows: *cont'd*

Name	Country of Incorporation	Proportion of ownership interest and voting power held by the Group		Principal Activities
		2023	2022	
		%	%	
Indirect subsidiary companies held through Web Bytes Sdn. Bhd.				
ALP Capital Sdn. Bhd.*	Malaysia	90	90	Payment processing agent
Mealnovate Ventures Sdn. Bhd.*	Malaysia	100	100	Cafe operator
Xilnex Cambodia Co., Ltd #	Cambodia	100	100	Computer programming activities
Xilnex Vietnam Co. Ltd*	Vietnam	100	-	Dormant

* *Audited by auditors other than the auditors of the Company.*# *Not required to be audited under respective local statutory requirements.*

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Composition of the Group

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

Principal activities	Place of incorporation and operation	Number of subsidiary companies	
		2023	2022
Express delivery	Malaysia	2	2
	Singapore	1	1
	Vietnam	1	1
Insurance agent	Malaysia	2	2
Cafe operator	Malaysia	1	-
General trading	Malaysia	-	1
Logistics	Malaysia	1	1
Investment holding	Malaysia	1	1
Property management	Malaysia	2	2
	Malaysia	5	5
Information technology	Cambodia	1	1
	Malaysia	1	-
Training provider	Malaysia	1	-
Advisory services	Indonesia	1	1
Dormant	Malaysia	2	2
	Singapore	3	3
	Vietnam	1	-
		25	23

Amount owing by/(to) subsidiary companies, which arose mainly from management fees receivable, unsecured advances and payments on behalf, is unsecured, interest-free and repayable on demand. Transactions with subsidiary companies are disclosed in Note 35.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Incorporation of subsidiary company in year 2023

On 16 June 2023, the Company incorporated a new wholly-owned subsidiary company, Frontier Scion Sdn. Bhd. in Malaysia with issued and paid-up share capital of RM2,000 with 2,000 ordinary shares of RM1 each.

On 22 December 2023, the Company increased its investment in Frontier Scion Sdn. Bhd. by the allotment and issuance of 98,000 new ordinary shares of RM1 each by cash.

Acquisition of subsidiary companies in year 2022

(a) Sweetmag Solutions Sdn. Bhd. ("Sweetmag Solutions")

On 30 May 2022, the Company entered into first and second tranches of Share Sale and Purchase Agreement ("SSPA") and Shareholders Agreement ("SA") in relation to the acquisition of 51% shareholdings in Sweetmag Solutions, a company incorporated in Malaysia. The principal activities of Sweetmag Solutions are of provision of service for web design, consulting, e-commerce and website development.

The first tranche and second tranche of SSPA and SA is in relation to purchase of 20,000 ordinary shares of Sweetmag Solutions for each tranche from the early shareholder of Sweetmag Solutions and subscription of a total of 22,450 new ordinary shares in Sweetmag Solutions respectively.

The proposed acquisition had been completed on 21 July 2022 in accordance with the terms of the SSPAs and the Company had subscribed to a total of 62,450 ordinary shares for a total consideration of RM17,360,000.

Management determined that the Company obtained control over Sweetmag Solutions for the Group's consolidation for year ended 31 December 2022 in accordance with the requirements of MFRS 10 *Consolidated Financial Statements*.

Table below summarised the assets and liabilities assumed at the date of the Company's obtaining control over Sweetmag Solutions.

Assets and liabilities assumed at the date of acquisition

	Sweetmag Solutions
	Total fair value
	RM
Non-current assets	
Property, plant and equipment (Note 11)	579,953
Right-of-use assets (Note 13)	239,310
	<u>819,263</u>

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Acquisition of subsidiary companies in year 2022 *cont'd*

(a) Sweetmag Solutions Sdn. Bhd. ("Sweetmag Solutions") *cont'd*

Assets and liabilities assumed at the date of acquisition *cont'd*

	Sweetmag Solutions
	Total fair value
	RM
<hr/>	
Current assets	
Trade receivables	722,040
Other receivables	3,744,207
Deposit and prepayments	32,030
Cash and bank balances	4,282,089
	<hr/>
	8,780,366
	<hr/>
Total assets	9,599,629
	<hr/>
Non-current liability	
Deferred tax liabilities	15,766
	<hr/>
Current liabilities	
Other payables and accrued expenses	1,262,041
Hire-purchase payables	63,870
Lease liabilities	243,834
Tax liabilities	151,959
	<hr/>
	1,721,704
	<hr/>
Total liabilities	1,737,470
	<hr/>
Fair value of identifiable net assets	7,862,159
Intangible assets representing customer relationship (Note 12)	24,071
Deferred tax liability arising from intangible assets	(5,777)
Goodwill (Note 18)	13,340,969
Non-controlling interest	(3,861,422)
	<hr/>
Total consideration	17,360,000
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Acquisition of subsidiary companies in year 2022 *cont'd*

(a) Sweetmag Solutions Sdn. Bhd. ("Sweetmag Solutions") *cont'd*

Net cash outflow on acquisition of Sweetmag Solutions

	The Group 2022 RM
Consideration paid in cash	17,360,000
Less: Cash and bank balances acquired	(4,282,089)
Net cash outflow	13,077,911

On 2 June 2022, Sweetmag Solutions acquired 100% equity interest in Sweetmag Digital (M) Sdn. Bhd., a company incorporated in Malaysia, for a total consideration of RM1.

On 19 September 2022, Sweetmag Solutions acquired 100% equity interest in Sweetmag Digital Pte Ltd, a company incorporated in Singapore, for a total consideration of RM3.

Management determined that Sweetmag Solutions has control over these two investing companies on respective dates of acquisition which results in the Company having indirect control as well for the Group's consolidation in accordance with the requirements of MFRS 10.

Table below summarised the assets and liabilities assumed at the date of the Sweetmag Solutions's obtaining control over Sweetmag Digital (M) Sdn. Bhd. and Sweetmag Digital Pte Ltd. (collectively known as "Sweetmag Digital").

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Acquisition of subsidiary companies in year 2022 *cont'd*

(a) Sweetmag Solutions Sdn. Bhd. ("Sweetmag Solutions") *cont'd*

Assets and liabilities assumed at the date of acquisition

	Sweetmag Digital Total fair value RM
<hr/>	
Current liability	
Other payables	18,287
Total liability	18,287
Fair value of identifiable net liabilities	(18,287)
Goodwill (Note 18)	18,291
Total consideration	4

Net cash outflow on acquisition of Sweetmag Digital

	The Group 2022 RM
<hr/>	
Consideration paid in cash	4

Goodwill arising on acquisition

The goodwill is attributable to the operations of web design, consulting, e-commerce and website development services of Sweetmag Solutions and its subsidiary companies ("Sweetmag Group") as an individual CGU.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Acquisition of subsidiary companies in year 2022 *cont'd*

(b) Web Bytes Sdn. Bhd. (“Web Bytes”)

On 1 August 2022, the Company entered into Share Sale and Purchase Agreement (“SSPA”) and Shareholders Agreement (“SA”) in relation to the acquisition of additional shareholdings in Web Bytes, a company incorporated in Malaysia. Prior to 1 August 2022, Web Bytes was an associate of the Company. The proposed acquisition had been completed on 12 August 2022 in accordance with the terms of the SSPA and the Company had subscribed an additional 41,496 ordinary shares for a total consideration of RM16,269,436. The percentage of shareholdings held by the Company in Web Bytes had increased from 32.69% to 38.00%. The total fair value of previously held equity interest of 32.69% amounting to RM9,069,436 was transferred from the equity interest of investment in associate to be part of the net cash outflow on acquisition of Web Bytes as a subsidiary company.

Upon acquisition of additional shareholdings in Web Bytes and with the Group’s involvement with the relevant activities of Web Bytes, management determined that the Company obtained control over Web Bytes for the Group’s consolidation for year ended 31 December 2022 in accordance with the requirements of MFRS 10.

Table below summarised the assets and liabilities assumed at the date of the Company’s obtaining control over Web Bytes.

Assets and liabilities assumed at the date of acquisition

	Web Bytes
	Total fair value
	RM
Non-current assets	
Intangible assets (Note 12)	500,518
Property, plant and equipment (Note 11)	377,091
Investment in quoted shares (Note 19)	53,500
Short term funds	100,000
Right-of-use assets (Note 13)	133,281
Investment in an associate	214,295
	1,378,685

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Acquisition of subsidiary companies in year 2022 *cont'd*

(b) **Web Bytes Sdn. Bhd. ("Web Bytes")** *cont'd*

Assets and liabilities assumed at the date of acquisition *cont'd*

	Web Bytes Total fair value RM
Current assets	
Inventories	1,141,641
Trade and other receivables	5,812,678
Tax recoverable	268,074
Deposits with licensed banks	1,225,312
Cash and bank balances	5,231,376
	<hr/> 13,679,081
Total assets	<hr/> 15,057,766
Non-current liabilities	
Liability components of Redeemable Convertible Preference Shares ("RCPS")	506,886
Lease liabilities	8,547
	<hr/> 515,433
Current liabilities	
Trade and other payables	5,212,605
Lease liabilities	127,032
Tax liabilities	630,973
	<hr/> 5,970,610
Total liabilities	<hr/> 6,486,043
Fair value of identifiable net assets	8,571,723
Intangible assets (Note 12):	
Customer relationship	931,522
Internally generated software	1,144,517
Deferred tax liabilities	(501,544)
Goodwill (Note 18)	12,413,874
Non-controlling interest	(6,290,656)
Total consideration	<hr/> 16,269,436

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Acquisition of subsidiary companies in year 2022 *cont'd*

(b) Web Bytes Sdn. Bhd. ("Web Bytes") *cont'd*

Net cash outflow on acquisition of Web Bytes

	The Group 2022 RM
Consideration paid in cash	7,200,000
Less:	
Deposits with licensed banks acquired	(1,225,312)
Cash and bank balances acquired	(5,231,376)
Net cash outflow	743,312

Goodwill arising on acquisition

The goodwill is attributable to the business software solution and other related activities of Web Bytes as an individual CGU.

(c) Anon Security Sdn. Bhd. ("Anon Security")

On 27 October 2022, the Company entered into Share Sale and Purchase Agreement ("SSPA") and Shareholders Agreement ("SA") in relation to the acquisition of 60% shareholdings in Anon Security, a company incorporated in Malaysia. The principal activities of Anon Security are of cybersecurity software provider and consultation. The proposed acquisition had been completed on 16 November 2022 in accordance with the terms of the SSPA and the Company had subscribed to a total of 150 ordinary shares for a total consideration of RM1,200,000.

Management determined that the Company obtained control over Anon Security for the Group's consolidation for year ended 31 December 2022 in accordance with the requirements of MFRS 10.

Table below summarised the assets and liabilities assumed at the date of the Company's obtaining control over Anon Security.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Acquisition of subsidiary companies in year 2022 *cont'd*

(c) Anon Security Sdn. Bhd. ("Anon Security") *cont'd*

Assets and liabilities assumed at the date of acquisition

	Anon Security Total fair value RM
Non-current asset	
Property, plant and equipment (Note 11)	29,647
Current assets	
Other receivables	1,438,173
Cash and bank balances	284,099
	<u>1,722,272</u>
Total assets	<u>1,751,919</u>
Current liability	
Other payables and accrued expenses	3,131
Total liability	<u>3,131</u>
Fair value of identifiable net assets	1,748,788
Goodwill (Note 18)	150,727
Non-controlling interest	(699,515)
Total consideration	<u>1,200,000</u>

Net cash outflow on acquisition of Anon Security

	The Group 2022 RM
Consideration paid in cash	1,200,000
Less: Cash and bank balances acquired	(284,099)
Net cash outflow	<u>915,901</u>

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Acquisition of subsidiary companies in year 2022 *cont'd*

(c) Anon Security Sdn. Bhd. ("Anon Security") *cont'd*

Goodwill arising on acquisition

The goodwill is attributable to the cyber security operations of Anon Security as an individual CGU.

Details for non-wholly-owned subsidiary companies that have non-controlling interests

The table below shows details of non-wholly-owned subsidiary companies that have non-controlling interests.

Name of subsidiary companies	Proportion of ownership interests held by non-controlling interests		(Loss)/Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2023	2022	2023	2022	2023	2022
			RM	RM	RM	RM
NETCO	50%	50%	(4,394,847)	1,517,589	11,541,045	15,935,892
VIVL	10%	10%	(1,240)	(1,298)	(2,538)	(1,298)
Sweetmag Solutions and its subsidiary companies	49%	49%	730,565	121,301	4,713,288	3,982,723
Web Bytes and its subsidiary companies	62%	62%	308,886	337,189	6,936,731	6,627,845
Anon Security	40%	40%	(550,961)	(50,620)	97,934	648,895
Total			(3,907,597)	1,924,161	23,286,460	27,194,057

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Summarised financial information in respect of the subsidiary companies that have non-controlling interest is set out as below. The summarised financial information below represents amounts before intragroup eliminations.

NETCO

	2023 RM	2022 RM
<u>Statement of financial position</u>		
Non-current assets	13,537,467	13,189,677
Current assets	28,110,834	40,280,666
Non-current liabilities	(2,204,684)	(4,216,425)
Current liabilities	(14,631,617)	(16,295,586)
Net assets	24,812,000	32,958,332
Equity attributable to owners of the Company	13,270,955	17,022,440
Non-controlling interest	11,541,045	15,935,892
	24,812,000	32,958,332
<u>Statement of profit or loss and other comprehensive income</u>		
Revenue	62,561,051	65,487,888
Other operating income	573,326	615,390
Expenses	(73,211,896)	(62,337,797)
Income tax expense	1,287,825	(730,303)
(Loss)/Profit for the year, representing total comprehensive (loss)/income for the year	(8,789,694)	3,035,178
(Loss)/Profit attributable to owners of the Company	(4,394,847)	1,517,589
(Loss)/Profit attributable to non-controlling interest	(4,394,847)	1,517,589
(Loss)/Profit for the year	(8,789,694)	3,035,178
<u>Statement of cash flows</u>		
Net cash (used in)/from:		
Operating activities	(7,439,675)	5,852,816
Investing activities	(85,580)	(7,174,466)
Financing activities	(2,884,905)	(385,492)
Net changes in cash and cash equivalents	(10,410,160)	(1,707,142)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

VIVL

	2023 RM	2022 RM
<u>Statement of financial position</u>		
Current assets	949	327
Current liabilities	(70,865)	(54,182)
Net liabilities	(69,916)	(53,855)
Equity attributable to owners of the Company	(67,378)	(52,557)
Non-controlling interest	(2,538)	(1,298)
	(69,916)	(53,855)
<u>Statement of profit or loss and other comprehensive income</u>		
Expenses	(12,400)	(12,985)
Loss for the year, representing total comprehensive loss for the year	(12,400)	(12,985)
Loss attributable to owners of the Company	(11,160)	(11,687)
Loss attributable to non-controlling interest	(1,240)	(1,298)
Loss for the year	(12,400)	(12,985)
<u>Statement of cash flows</u>		
Net cash from/(used in):		
Operating activities	(12,988)	(18,114)
Financing activities	12,988	18,114
Net changes in cash and cash equivalents	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Sweetmag Solutions and its subsidiary companies

	2023 RM	2022 RM
<u>Statement of financial position</u>		
Non-current assets	653,330	860,399
Current assets	10,001,795	8,418,897
Non-current liabilities	(31,556)	(172,392)
Current liabilities	(1,022,191)	(997,192)
Net assets	9,601,378	8,109,712
Equity attributable to owners of the Company	4,888,090	4,126,989
Non-controlling interest	4,713,288	3,982,723
	9,601,378	8,109,712
<u>Statement of profit or loss and other comprehensive income</u>		
Revenue	5,532,043	2,917,759
Other operating income	212,794	74,208
Expenses	(4,393,083)	(2,560,045)
Income tax credit/(expense)	139,195	(184,368)
Profit for the year, representing total comprehensive income for the year	1,490,949	247,554
Profit attributable to owners of the Company	760,384	126,253
Profit attributable to non-controlling interest	730,565	121,301
Profit for the year	1,490,949	247,554
<u>Statement of cash flows</u>		
Net cash from/(used in):		
Operating activities	1,427,363	3,346,119
Investing activities	(5,655,937)	(4)
Financing activities	(98,414)	(306,401)
Net changes in cash and cash equivalents	(4,326,988)	3,039,714

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Web Bytes and its subsidiary companies

	2023 RM	2022 RM
<u>Statement of financial position</u>		
Non-current assets	3,539,914	1,416,805
Current assets	17,289,257	16,326,163
Non-current liabilities	(830,547)	(560,668)
Current liabilities	(10,443,638)	(8,085,162)
Net assets	9,554,986	9,097,138
Equity attributable to owners of the Company	2,618,255	2,469,293
Non-controlling interests	6,936,731	6,627,845
	9,554,986	9,097,138
<u>Statement of profit or loss and other comprehensive income</u>		
Revenue	25,827,206	10,739,585
Other operating income	615,339	226,204
Expenses	(25,831,361)	(9,991,500)
Share of (loss)/profit of an associate	(846)	9,551
Income tax expense	(112,629)	(439,987)
Profit for the year, representing total comprehensive income for the year	497,709	543,853
Profit attributable to owners of the Company	188,823	206,664
Profit attributable to non-controlling interests	308,886	337,189
Profit for the year	497,709	543,853
<u>Statement of cash flows</u>		
Net cash from/(used in):		
Operating activities	2,903,905	5,220,079
Investing activities	(2,446,425)	(219,167)
Financing activities	(1,359,374)	(533,178)
Net changes in cash and cash equivalents	(901,894)	4,467,734

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

16. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

Anon Security

	2023 RM	2022 RM
<u>Statement of financial position</u>		
Non-current assets	145,445	188,958
Current assets	1,549,028	1,858,630
Non-current liabilities	(53,074)	(99,359)
Current liabilities	(1,393,565)	(322,991)
Net assets	247,834	1,625,238
Equity attributable to owners of the Company	149,901	976,343
Non-controlling interest	97,933	648,895
	247,834	1,625,238
<u>Statement of profit or loss and other comprehensive income</u>		
Revenue	3,097,053	224,107
Other income	700	-
Expenses	(4,518,881)	(209,504)
Income tax expense	43,724	(141,153)
Loss for the year, representing total comprehensive loss for the year	(1,377,404)	(126,550)
Loss attributable to owners of the Company	(826,442)	(75,930)
Loss attributable to non-controlling interest	(550,962)	(50,620)
Loss for the year	(1,377,404)	(126,550)
<u>Statement of cash flows</u>		
Net cash from/(used in):		
Operating activities	(1,158,238)	1,169,728
Investing activities	(9,878)	(10,650)
Financing activities	(48,551)	(12,603)
Net changes in cash and cash equivalents	(1,216,667)	1,146,475

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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17. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unquoted shares - at cost				
At beginning of year	27,236,730	34,722,435	415,146	8,115,146
Increase in indirect interest in GDComma Resources Joint Stock Company ("GDComma")	-	214,295	-	-
Reclassification of investment in Web Bytes to investment in subsidiary companies (Note 16)	-	(7,700,000)	-	(7,700,000)
At end of year	27,236,730	27,236,730	415,146	415,146
Share of post acquisition reserve				
At beginning of year	6,348,142	6,675,624	-	-
Share of loss of Web Bytes	-	(101,440)	-	-
Share of profit of SAPX	146,588	128,707	-	-
Share of (loss)/profit of GDComma	(2,285)	5,044	-	-
Reversal of post-acquisition reserve of Web Bytes	-	(359,793)	-	-
At end of year	6,492,445	6,348,142	-	-
	33,729,175	33,584,872	415,146	415,146

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

cont'd

17. INVESTMENT IN ASSOCIATES *cont'd*

The details of associates are as follows:

Name	Country of incorporation	Proportion of ownership interest/voting rights held by the Group		Principal activities
		2023	2022	
PT Satria Antaran Prima TBK ("SAPX")	Indonesia	44.50%	44.50%	Provision of express delivery services
GDComma	Vietnam	51.40%	51.40%	Provision of IT outsourcing services

During the financial year, the directors reviewed the Group's and the Company's investment in associates for indication of impairment and concluded that the carrying amounts at the end of reporting period are equivalent to their recoverable amounts.

Investment in SAPX

Summarised financial information of SAPX is set out below. The summarised financial information represents the amount in the financial statements of the associate and not the Group's share of those amounts.

	2023 RM	2022 RM
Statement of financial position		
Non-current assets	22,952,633	20,351,886
Current assets	73,630,740	50,428,362
Total assets	96,583,373	70,780,248
Non-current liabilities	(2,307,748)	(3,433,947)
Current liabilities	(41,526,760)	(19,552,704)
Total liabilities	(43,834,508)	(22,986,651)
Net assets of the associate	52,748,865	47,793,597
Statement of comprehensive income		
Revenue for the year	186,396,932	176,009,388
Profit for the year	329,410	289,229
Share of profit of the associate	146,588	128,707

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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17. INVESTMENT IN ASSOCIATES *cont'd*

Investment in SAPX *cont'd*

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

	2023	2022
	RM	RM
Proportion of net assets of the associate	23,473,245	21,268,151
Goodwill	15,458,472	15,458,472
Other adjustments *	(4,507,116)	(4,507,116)
Exchange differences	(1,117,619)	940,888
	33,306,982	33,160,395

* The other adjustments is recognised to the extent to the unrelated interests in the associate from upstream transaction as a result of redemption of convertible bonds in 2019.

Investment in GDComma

On 14 November 2019, the Company and its associate company, namely Web Bytes, acquired 40% and 30% respectively, equivalent to a total of 231,500 and 173,625 ordinary shares of VND10,000 per share, representing 49.81% of the total number of ordinary shares of GDComma, for a total consideration of VND2,315,000,000 (equivalent to approximately RM415,146) and VND1,736,250,000.

In prior financial year, as a result of acquisition of additional shareholdings in Web Bytes as disclosed in Note 16, the effective interest held by the Group in GDComma had increased to 51.4%.

GDComma, a company incorporated in Vietnam and its intended business activity is involved in the field of information technology solutions development.

On 8 March 2024, approval was granted at the shareholders' and the Board of Directors' meetings to dissolve GDComma Resources Joint Stock Company and to liquidate corporate assets, pursuant to Enterprise Law No. 59/2020/QH14 passed by the National Assembly on 17 June 2020 regarding the liquidation of corporate assets under the Socialist Republic of Vietnam.

NOTES TO THE FINANCIAL STATEMENTS

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17. INVESTMENT IN ASSOCIATES *cont'd*

Investment in GDComma *cont'd*

Summarised financial information of GDComma is set out below. The summarised financial information represents the amount in the financial statements of the associate and not the Group's share of those amounts.

	2023 RM	2022 RM
Statement of financial position		
Current assets	657,779	700,600
Total assets	657,779	700,600
Current liabilities	-	(201)
Net assets of the associate	657,779	700,399
Statement of comprehensive income		
Expenses for the year	-	-
(Loss)/Profit for the year	(2,798)	9,813
Share of (loss)/profit of the associate	(2,285)	5,044

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

	2023 RM	2022 RM
Proportion of net assets of the associate	338,098	348,869
Goodwill	7,461	7,461
Exchange differences	(15,427)	(24,759)
	330,132	331,571

NOTES TO THE FINANCIAL STATEMENTS

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17. INVESTMENT IN ASSOCIATES *cont'd*

Loan to associate and subsidiary company

The maturity analysis of the loan to associate and subsidiary company is as below:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Loan to associate:				
Current	2,384,000	4,230,000	-	-
Loan to a subsidiary company:				
Current	-	-	-	1,000,000

(a) Loan to Web Bytes

On 2 November 2019, the Company entered into a Shareholder's Loan Agreement with Web Bytes in which the Company granted Web Bytes a loan of RM2,000,000 with 5% interest per annum for a year of 5 years commencing from the date of the Agreement.

The Company had changed the repayment period of the loan to Web Bytes to monthly basis for a period of 24 months starting January 2022. The said loan has been fully settled by Web Bytes during the current financial year.

(b) Loan to SAPX

As of the end of the reporting period, the Company has provided a short-term loan of RM2,384,000 (equivalent to INR8,000,000,000) (2022: RM4,230,000 (equivalent to INR17,000,000)) to SAPX, its associate through its subsidiary company, PT Gede to support SAPX's business expansion.

As of end of the reporting period, there is no indication that the loan to SAPX is not recoverable.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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18. GOODWILL ARISING FROM CONSOLIDATION

	The Group	
	2023	2022
	RM	RM
At beginning of year	29,173,232	3,249,371
Acquisition of subsidiary companies (Note 16)	-	25,923,861
At end of year	29,173,232	29,173,232

The carrying amount of goodwill allocated to CGUs as of the end of the reporting period are as follows:

	The Group	
	2023	2022
	RM	RM
Express delivery operations of NETCO	3,249,371	3,249,371
Web design, consulting, e-commerce and website development operations of Sweetmag Group	13,359,260	13,359,260
Business software solution and other related activities of Web Bytes	12,413,874	12,413,874
Cyber security operations of Anon Security	150,727	150,727
	29,173,232	29,173,232

The Group tests goodwill annually for the impairment. The directors reviewed the impairment assessment of the Group's goodwill arising from consolidation and concluded that the carrying amount does not exceed the recoverable amount of the CGUs.

The recoverable amount of individual CGU is determined based on 'value-in-use' where management make an estimate of the expected future cash flows from the CGUs covering a five-years period. The key assumptions for the value-in-use calculation include management's expectation on the growth of revenue.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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18. GOODWILL ARISING FROM CONSOLIDATION *cont'd*

The pre-tax discount rate applied to the expected future cash flows is as per below:

	2023	2022
	%	%
NETCO	8.9	14.2
Sweetmag Group	10.4	14.1
Web Bytes	14.8	15.4
Anon Security	11.2	11.2

The terminal value was estimated using the perpetuity growth model, with a growth rate to perpetuity of the discount rate as per below applied to steady-state estimate earnings at the end of the projected period.

	2023	2022
	%	%
NETCO	3.6	2.6
Sweetmag Group	2.9	2.1
Web Bytes	5.0	5.0
Anon Security	1.5	1.5

The Group has conducted an analysis on the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for the CGUs to which goodwill is allocated. The directors believe that any reasonably change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amounts of the CGUs.

19. OTHER INVESTMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Equity investments measured at FVTOCI:				
At beginning of year	82,500	-	28,795,250	50,560,813
Acquisition of subsidiary company (Note 16)	-	53,500	-	-
Addition	30,000	50,000	-	-
Fair value (loss)/gain	(43,089)	(21,000)	19,801,375	(21,765,563)
At end of year	69,411	82,500	48,596,625	28,795,250

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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On 3 October 2018, the Company subscribed to 16.5%, equivalent to 137,500,000 new ordinary shares of IDR100 each at an issue price of IDR250 per share in SAPX for a total consideration of IDR34,375,000,000 (equivalent to approximately RM9.866 million) from the IPO of SAPX.

During current financial year, a subsidiary company of the Company subscribed to unquoted investment for a total consideration of RM30,000 (2022: quoted investment for a total consideration of RM50,000).

The Group and the Company have irrevocably elected to classify these equity instruments as FVTOCI as they are not held for trading but for medium to long-term strategic purposes.

20. INVESTMENT IN REDEEMABLE CONVERTIBLE PREFERENCE SHARES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial asset measured at FVTPL:				
At beginning of year	-	500,000	500,000	500,000
Eliminated upon acquisition of subsidiary company	-	(500,000)	-	-
Addition	2,160,000	-	2,160,000	-
Reclassification to other receivable	-	-	(500,000)	-
At end of year	2,160,000	-	2,160,000	500,000

On 23 November 2018, the Company entered into a Subscription Agreement (“A-RCPS Agreement”) with ALP Capital Sdn. Bhd. (“ALP Capital”) to subscribe for ten tranches of interest bearing Series-A Redeemable Convertible Preference Shares (“A-RCPS”), i.e. 5,000 A-RCPS each tranche over the next five years, at total subscription price of RM5,000,000. On same day, the Company completed the first tranche of A-RCPS subscription. The subscription of subsequent tranches is conditional upon the completion of the preceding tranche and upon the formal written request by the Company after the approval of the Company’s Investment Committee.

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”).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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20. INVESTMENT IN REDEEMABLE CONVERTIBLE PREFERENCE SHARES *cont'd*

The A-RCPS is redeemable at any time by both parties on any occurrence of the following events:

- (i) There is a material breach of any of the Warranties and undertakings of ALP Capital in the Investment Contracts,
- (ii) The maturity date of 22 November 2023, or
- (iii) If for any reason ALP Capital and the Company have irreconcilable differences concerning the interest of the business.

The redemption amount is the total subscription price of the A-RCPS paid together with interest at the following rate:

- 0% per annum on the 1st year,
- 6% per annum on the 2nd year, or
- 8% per annum on the 3rd year onwards,

as the case may be, on the total subscription price of A-RCPS to be redeemed calculated from their respective date of redemption notice, taking into account any dividend paid or bonus shares issued by ALP Capital on the A-RCPS.

In year 2019, the Company and ALP Capital mutually agreed to reduce the redemption rate as per the Subscription Agreement entered on 23 November 2018 to Overnight Policy Rate plus 0.5% per annum.

The A-RCPS were 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.

In prior financial year, subsequent to Web Bytes became a subsidiary of the Company as disclosed in Note 16, ALP Capital became an indirect subsidiary company of the Company and the said investment in Redeemable Convertible Preference Shares had been eliminated in the financial statements of the Group.

The Company did not exercise its redemption right of A-RCPS and it lapsed on 22 November 2023. The Company is currently in the process of redeeming the A-RCPS at the subscription price with the interest rates with ALP Capital in accordance with the A-RCPS subscription agreement. As a result, the investment in A-RCPS to RM500,000 had been reclassified to other receivable.

On 6 January 2023, the Company had entered into a subscription agreement with Servedeck Innovation Sdn. Bhd. ("Servedeck") to subscribe for 680,244 units of Seed B Redeemable Convertible Preference Shares ("Seed B RCPS") at a total subscription price of RM2,160,000. On 13 January 2023, the Company completed the subscription of the said Seed B RCPS upon fulfilment of condition precedent. The said RCPS carried the right to receive a cumulative preference dividend accrued in the balance sheet of Servedeck payable in arrears until the maturity date, which shall be calculated at the rate of 3% per annum based on the subscription price per RCPS.

The Seed B RCPS is convertible into 10% of fully paid and issued unencumbered ordinary shares in the enlarged issued and paid-up share capital of Servedeck on a fully diluted basis upon Servedeck achieving the revenue of RM4,000,000 at any point of time. In the event of Servedeck is unable to achieve the revenue of RM4,000,000 by 31 December 2023, Servedeck is required to refund 20% of the subscription price in cash to the Company within 3 months. Upon maturity date of 13 January 2025, the Company has the option to either convert or redeem the RCPS.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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20. INVESTMENT IN REDEEMABLE CONVERTIBLE PREFERENCE SHARES *cont'd*

As of the date of these financial statements were authorised for issuance, the Company is in the midst of verifying the revenue achieved by Servedeck as of 31 December 2023.

There is no measurement impact to the carrying amount of the investment in Redeemable Convertible Preference Shares at the end of the reporting period as the directors are of the opinion that the carrying amount approximate to its fair value on the basis that the carrying amount represents the present value of future free cash flows generated by the issuer under various scenarios over a specified period of time under different conversion timing, discounted at issue's weighted average cost of capital at the end of the reporting period.

21. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables consist of:

	The Group	
	2023	2022
	RM	RM
Third party receivables	61,474,584	60,678,336
Amount owing by related parties	1,327,626	2,281,870
	62,802,210	62,960,206
Less: Allowance for impairment	(3,386,175)	(2,790,537)
Net	59,416,035	60,169,669

The currency exposure profile of gross trade receivables is as follows:

	The Group	
	2023	2022
	RM	RM
Ringgit Malaysia	53,658,066	50,585,777
Singapore Dollar	438,364	1,360,819
Vietnamese Dong	8,691,418	11,009,381
Cambodian Riel	14,362	-
Indonesian Rupiah	-	4,229
	62,802,210	62,960,206

Trade receivables of the Group represent amounts receivable mainly for the provision of express delivery, logistics and information technology services. The credit period granted to customers range from 3 to 120 days (2022: 3 to 120 days). No interest is charged on trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

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21. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *cont'd*

The Group has applied a simplified approach in calculating loss allowances for trade receivables at an amount equal to lifetime ECL. The Group estimated the loss allowance on trade receivables by applying an ECL rate at end of each reporting period. The ECL rate is computed based on estimated irrecoverable amounts determined by reference to past default experience of the Group and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed at least once a year.

Trade receivables include amounts (see below for aged analysis) that are past due at the end of the reporting period but against which the Group has not recognised an allowance for impairment because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over trade receivables balances.

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

	The Group	
	2023	2022
	RM	RM
At beginning of year	2,790,537	3,245,679
Net remeasurement of loss allowances (Note 7)	583,756	(469,151)
Exchange differences	11,882	14,009
At end of year	3,386,175	2,790,537

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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21. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *cont'd*

	The Group	
	Gross trade receivables	Lifetime ECL
	RM	RM
2023		
Not past due and impaired:		
1 to 120 days	59,439,000	1,661,828
Past due and impaired:		
120 to 150 days	392,141	57,492
150 to 365 days	945,318	272,194
More than 365 days	2,025,751	1,394,661
	62,802,210	3,386,175
	The Group	
	Gross trade receivables	Lifetime ECL
	RM	RM
2022		
Not past due and impaired:		
1 to 120 days	60,025,057	849,059
Past due and impaired:		
120 to 150 days	208,659	28,580
150 to 365 days	666,668	162,335
More than 365 days	2,059,822	1,750,563
	62,960,206	2,790,537

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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21. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *cont'd*

Other receivables, deposits and prepayments consist of:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Other receivables	10,671,176	10,492,905	579,888	8,965
Refundable deposits	10,285,213	11,279,345	5,420	5,420
Prepaid expenses	8,598,135	14,811,948	118,400	205,006
Goods and Services Tax receivable	100,340	65,027	-	796
Deferred expenses	775,182	755,276	-	-
	30,430,046	37,404,501	703,708	220,187

Other receivables are neither past due nor impaired as of the end of the reporting period. As of end of the reporting period, there is no indication that the other receivables are not recoverable.

Included in refundable deposits is rental and utilities deposits for branches of RM8,398,542 (2022: RM8,210,955).

Prepaid expenses of the Group as of 31 December 2022 comprised prepayment for a project of a subsidiary company amounting to RM5,669,026, 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.

The currency exposure profile of other receivables is as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Ringgit Malaysia	1,473,806	1,386,594	579,888	8,965
Singapore Dollar	85,134	175,774	-	-
Vietnamese Dong	9,101,518	8,850,637	-	-
Indonesian Rupiah	10,718	79,900	-	-
	10,671,176	10,492,905	579,888	8,965

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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22. SHORT TERM FUNDS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Financial assets measured at FVTPL:				
Investment in:				
Money market funds	-	19,404,627	-	19,304,627
Unit trust funds	100,000	-	-	-
	100,000	19,404,627	-	19,304,627

23. INVENTORIES

	The Group	
	2023	2022
	RM	RM
At cost:		
Consumables	2,267,703	2,159,181
Trading	638,295	595,277
	2,905,998	2,754,458
At net realisable value:		
Trading	-	78,325
	2,905,998	2,832,783

The cost of inventories recognised by the Group as an expense during the financial year was RM12,383,585 (2022: RM10,874,179).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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24. SHARE CAPITAL

	The Group and The Company			
	Number of ordinary shares		2023	2022
	2023	2022	RM	RM
Issued and fully paid:				
At beginning and end of year	5,641,410,835	5,641,410,835	337,896,408	337,896,408

Warrants 2021/2028

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

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

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

- (a) The issue date of the Warrants 2021/2028 is on 5 January 2021 and the expiry date is on 4 January 2028.
- (b) The Warrants 2021/2028 can be exercised at any time during the year commencing on and inclusive of the date of issue of the warrants up to and including the expiry date. Any Warrants 2021/2028 not exercised during the exercise year will lapse and cease to be valid.
- (c) Each Warrant 2021/2028 entitles the registered holder to subscribe for 1 new ordinary share of the Company at the exercise price fixed at RM0.45 payable in cash at any time during the exercise year and shall be subject to adjustments in accordance with the provision of the Deed Poll.
- (d) The new ordinary shares arising from the exercise of the Warrants 2021/2028 shall, upon allotment and issue, rank pari passu with the existing issued ordinary shares of the Company, save and except that they will not be entitled to any right, allotment, dividend and/or any other distribution that may be declared, made or paid before the date of allotment and issue of the new ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS

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25. TREASURY SHARES

The shareholders of the Company, by a resolution passed at the previous Annual General Meetings, had granted an approval to the Company to buy back its own shares of up to 10% of the issued and paid-up share capital of the Company.

The Company repurchased its issued ordinary shares from the open market as summarised below:

	Number of shares	Total consideration RM	Purchase price per share		
			Highest RM	Lowest RM	Average RM
Share repurchased during the financial year:					
January 2023	8,416,700	1,391,676	0.170	0.160	0.165
February 2023	7,533,200	1,505,684	0.205	0.185	0.200
March 2023	5,960,100	1,137,706	0.195	0.185	0.191
April 2023	1,596,400	325,379	0.210	0.195	0.204
May 2023	1,720,000	345,651	0.200	0.200	0.201
	25,226,400	4,706,096	0.210	0.160	0.187
Share repurchased in prior financial year:					
March 2022	1,000,000	249,597	0.250	0.240	0.250
September 2022	500,000	57,949	0.115	0.115	0.115
October 2022	5,697,200	649,545	0.115	0.110	0.114
November 2022	2,000,000	251,200	0.125	0.125	0.126
December 2022	5,260,100	770,557	0.150	0.140	0.146
	14,457,300	1,978,848	0.250	0.110	0.137

The total consideration paid, including transaction costs, of RM4,706,096 (2022: RM1,978,848) was financed by internally generated funds. The shares repurchased were held as treasury shares in accordance with Section 127 of the Companies Act, 2016 in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

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25. TREASURY SHARES *cont'd*

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

26. RESERVES

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Non-distributable:				
Translation reserve	2,326,967	1,307,803	-	-
Fair value reserve	(64,089)	(21,000)	38,731,000	18,929,625
	2,262,878	1,286,803	38,731,000	18,929,625
Distributable:				
Retained earnings	103,878,521	146,759,930	61,504,836	67,428,663
	106,141,399	148,046,733	100,235,836	86,358,288

Translation reserve

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

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investment designated at fair value through other comprehensive income until the investment is derecognised or impaired.

Retained earnings

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

NOTES TO THE FINANCIAL STATEMENTS

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27. HIRE-PURCHASE PAYABLES

	The Group	
	2023	2022
	RM	RM
Total outstanding	4,377,995	10,909,663
Less: Interest-in-suspense	(106,550)	(422,433)
Principal outstanding	4,271,445	10,487,230
Less: Amount due within 12 months (shown under current liabilities)	(3,595,902)	(6,467,513)
Non-current portion	675,543	4,019,717

The non-current portion is repayable as follows:

	The Group	
	2023	2022
	RM	RM
Within 1 - 2 years	675,543	3,344,350
Within 2 - 5 years	-	675,367
	675,543	4,019,717

The interest rates implicit in these hire-purchase obligations ranges from 2.10% to 6.65% (2022: 2.10% to 6.65%) 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.

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28. BANK BORROWINGS

	The Group	
	2023	2022
	RM	RM
Non-current		
Mortgage loans (secured)	1,062,390	2,512,456
Current		
Mortgage loans (secured)	1,469,768	1,525,923
	2,532,158	4,038,379

The non-current portion is repayable as follows:

	The Group	
	2023	2022
	RM	RM
Within 1 - 2 years	1,062,390	1,499,929
Within 2 - 5 years	-	1,012,527
	1,062,390	2,512,456

The mortgage loans bear interest at rates ranging from 7% to 9.3% (2022: 7% to 9.3%) per annum for a tenure of 3 years (2022: 3 years) from the date of the first disbursement of the mortgage loan. The mortgage loans are secured by way of legal charge over motor vehicles.

The currency exposure profile for bank borrowings is in Vietnamese Dong.

NOTES TO THE FINANCIAL STATEMENTS

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29. PROVISION FOR RETIREMENT BENEFITS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
At beginning of year	932,227	827,537	23,011	20,465
Charge to profit or loss (Note 7)	114,554	107,486	2,754	2,546
Benefit paid	(16,500)	(6,500)	-	-
Recognised as other comprehensive income:				
Remeasurements of post-employment benefit obligations	(233,815)	-	(20,194)	-
Exchange differences	3,467	3,704	-	-
At end of year	799,933	932,227	5,571	23,011

The most recent actuarial valuation of the defined benefit plan was carried out on 18 January 2024 by Nicholas Actuarial Solutions Sdn. Bhd., a qualified and independent actuarial firm. Under this scheme, eligible employees on attainment of retirement age of 60, are entitled to a one time payment of retirement benefits, which is computed based on a fixed amount for each year of the employee's completed service with the Group and the Company as provided by the actuarial estimation of costs and liabilities of Retirement Benefit Scheme of the Group and of the Company.

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

	The Group		The Company	
	2023	2022	2023	2022
Discount rate	4.64%	4.49%	4.64%	4.49%
Yearly average staff turnover rate	17.50%	17.50%	17.50%	17.50%

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.

NOTES TO THE FINANCIAL STATEMENTS

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30. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2023	2022
	RM	RM
At beginning of year	(3,147,233)	(9,164,712)
Exchange differences	(16,484)	-
Acquisition of subsidiary companies (Note 16)	-	(523,087)
Credit/(Charge) to profit or loss (Note 9):		
Property, plant and equipment	1,175,383	8,261,567
Timing differences between right-of-use assets and lease liabilities	(139,615)	(749,874)
Trade receivables	(22,875)	(550,033)
Deferred expenses	-	155,870
Provision for retirement benefits	(1,097)	(161,331)
Deferred revenue	-	(513,224)
Other payables and accrued expenses	112,400	321,200
Unused tax losses	1,296,247	-
Unabsorbed capital allowances	(36,227)	(223,609)
	2,384,216	6,540,566
At end of year	(779,501)	(3,147,233)

The deferred tax assets and deferred tax liabilities are presented after appropriate offsetting as follows:

	The Group	
	2023	2022
	RM	RM
Deferred tax assets	1,682,763	-
Deferred tax liabilities	(2,462,264)	(3,147,233)
	(779,501)	(3,147,233)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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30. DEFERRED TAX ASSETS/(LIABILITIES) *cont'd*

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

	The Group	
	2023	2022
	RM	RM
Deferred tax assets (before offsetting):		
Temporary differences arising from:		
Timing differences between right-of-use assets and lease liabilities	3,000	25,868
Trade receivables	-	32,858
Provision for retirement benefits	-	5,745
Other payables and accrued expenses	400,000	321,200
Unused tax losses	1,279,763	-
Unabsorbed capital allowances	-	36,227
	1,682,763	421,898
Offsetting	-	(421,898)
Deferred tax assets (after offsetting)	1,682,763	-
	The Group	
	2023	2022
	RM	RM
Deferred tax liabilities (before offsetting):		
Temporary differences arising from:		
Timing differences between right-of-use assets and lease liabilities	(106,164)	-
Property, plant and equipment	(1,848,779)	(3,061,810)
Intangible assets	(504,026)	(504,026)
Fair value adjustment of investment in an associate	(3,295)	(3,295)
	(2,462,264)	(3,569,131)
Offsetting	-	421,898
Deferred tax liabilities (after offsetting)	(2,462,264)	(3,147,233)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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31. PROVISION OF RESTORATION COSTS

Provision of restoration costs relates to estimated cost of restoring the rented premises to its original condition at the end of the lease term.

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Current	322,535	146,831	-	-
Non-current	793,942	635,495	4,557	-
	1,116,477	782,326	4,557	-

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
At beginning of year	782,326	-	-	-
Addition	426,653	765,940	4,335	-
Derecognition arising from lease expiration and termination	(142,269)	-	-	-
Unwinding of discount on provision of restoration costs (Note 8)	42,891	16,308	222	-
Exchange differences	6,876	78	-	-
	1,116,477	782,326	4,557	-

NOTES TO THE FINANCIAL STATEMENTS

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32. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade payables comprise mainly amounts outstanding for services rendered by suppliers and rental of trucks provided by the business partner of a subsidiary company. The average credit period granted to the Group is 30 days to 120 days (2022: 30 to 120 days).

The currency exposure profile of trade payables is as follows:

	The Group	
	2023	2022
	RM	RM
Ringgit Malaysia	5,301,424	5,204,431
Singapore Dollar	90,888	26,573
Vietnamese Dong	7,144,225	7,481,197
	12,536,537	12,712,201

Other payables and accrued expenses consist of:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Other payables	11,166,276	8,634,625	342,580	596,820
Accrued expenses	17,605,009	10,102,318	94,639	367,335
Accrued staff costs	6,751,070	8,700,553	103,597	101,294
Advances from customers	4,515	2,028,897	-	-
Sales and Service Tax payable	5,505,913	4,821,741	-	-
Deferred revenue	6,618,209	2,349,655	-	-
	47,650,992	36,637,789	540,816	1,065,449

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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32. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES *cont'd*

The currency exposure profile of other payables is as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Ringgit Malaysia	10,603,286	7,900,917	342,580	596,820
Singapore Dollar	66,593	61,217	-	-
Indonesian Rupiah	8,940	906	-	-
Vietnamese Dong	487,457	671,585	-	-
	11,166,276	8,634,625	342,580	596,820

33. DIVIDENDS

	The Group and The Company	
	2023	2022
	RM	RM
In respect of financial year ended 31 December 2022:		
First and final tax exempt dividend of 0.15 sen per share:		
Cash	8,312,707	-

A first and final tax exempt dividend of 0.15 sen per share amounting to RM8,312,707 which was proposed in the previous financial year and dealt with in the previous directors' report was paid in cash by the Company during the current financial year.

The directors proposed a dividend of 0.10 sen per share in respect of the financial year ended 31 December 2023. The proposed dividend which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, and has not been included as a liability in the financial statements of the Group and of the Company for the financial year ended 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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34. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Deposits with licensed banks	149,441,463	164,771,113	131,835,549	145,347,376
Cash and bank balances	45,116,410	42,514,281	9,166,387	3,333,650
	194,557,873	207,285,394	141,001,936	148,681,026
Less: Non cash and cash equivalents:				
Deposits with licensed banks with maturity term more than 3 months	(102,217,900)	(101,504,738)	(84,611,986)	(82,081,000)
	92,339,973	105,780,656	56,389,950	66,600,026

Deposits with licensed banks earn interest at rates ranging from 1.30% to 7.50% (2022: 1.77% to 7.50%) per annum. Deposits with licensed banks of the Group and of the Company have maturity terms of 7 days to 12 months (2022: 7 days to 12 months).

Included in the deposits with licensed banks of the Group are RM362,964 (2022: RM362,964) pledged for bank guarantees.

Cash Held on Behalf of Customer from Cash on Delivery Service

As of 31 December 2023, cash held on behalf of customers from cash on delivery service amounted to RM360,210 (2022: RM1,495,131). 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	
	2023	2022	2023	2022
	RM	RM	RM	RM
Ringgit Malaysia	177,571,938	183,326,990	140,637,360	148,323,398
United States Dollar	367,304	363,976	364,567	357,619
Singapore Dollar	2,993,843	1,918,352	-	-
Indonesian Rupiah	3,166,978	883,695	-	-
Vietnamese Dong	10,457,810	20,792,381	9	9
	194,557,873	207,285,394	141,001,936	148,681,026

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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35. RELATED PARTY TRANSACTIONS

The related party and its relationship with the Company is as follows:

Name of related party	Relationship
Yamato Holdings Co., Ltd (2022: Yamato Asia Pte. Ltd)	A substantial shareholder of GDEX Berhad.
Yamato Transport (M) Sdn. Bhd.	A subsidiary of substantial shareholder of GDEX Berhad.
Yamato Transport (S) Pte. Ltd.	An indirect subsidiary of substantial shareholder of GDEX Berhad.
Yamato Transport Co., Ltd	A subsidiary of substantial shareholder of GDEX Berhad.
Singapore Post Limited	A substantial shareholder of GDEX Berhad.
Quantum Solutions International (Malaysia) Sdn. Bhd.	A subsidiary of substantial shareholder of GDEX Berhad.

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

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
With related party,				
Yamato Transport Co., Ltd				
Advisory fees	(120,000)	(120,000)	(120,000)	(120,000)
Yamato Transport (M) Sdn. Bhd.				
Express delivery fee	210,860	70,216	-	-
Yamato Transport (S) Pte. Ltd.				
Express delivery fee	11,627,344	5,003,545	-	-
Singapore Post Limited				
Express delivery fee	13,127	16,547	-	-
Quantum Solutions International (Malaysia) Sdn. Bhd.				
Express delivery fee	1,263,765	2,236,169	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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35. RELATED PARTY TRANSACTIONS *cont'd*

During the current financial year, significant related company or party transactions undertaken based on agreed terms are as follows: *cont'd*

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
With subsidiary companies				
GD Venture (M) Sdn. Bhd.				
Management fee	-	-	180,000	180,000
GD Express Sdn. Bhd.				
Management fee	-	-	3,120,000	3,120,000
GD Facilities & Assets Management Sdn. Bhd.				
Management fee	-	-	192,000	192,000
GD Valueguard Sdn. Bhd.				
Management fee	-	-	120,000	120,000
GD Logistics (M) Sdn. Bhd.				
Management fee	-	-	600,000	600,000
Web Bytes Sdn. Bhd.				
Interest income (Note 7)	-	-	22,917	24,306
With associate,				
Web Bytes Sdn. Bhd.				
Interest income (Note 7)	-	46,923	-	46,923

NOTES TO THE FINANCIAL STATEMENTS

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36. FINANCIAL INSTRUMENTS

Capital Risk Management

The objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balance. The Group's overall strategy remains unchanged during the current financial year.

The capital structure of the Group consists of debt and equity.

Gearing Ratio

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

	The Group	
	2023	2022
	RM	RM
Debt	102,182,844	120,269,181
Equity	439,689,993	490,209,020
Debt to equity ratio (%)	23.24	24.53

Debt consists of hire-purchase payables, bank borrowings and lease liabilities (as disclosed in Notes 27, 28 and 14).

Equity consists of share capital, treasury shares, reserves and non-controlling interests (as disclosed in Notes 24, 25, 26 and 16).

NOTES TO THE FINANCIAL STATEMENTS

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36. FINANCIAL INSTRUMENTS *cont'd*

Categories of Financial Instruments

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Financial assets				
<u>Financial assets measured at amortised cost:</u>				
Trade receivables	59,416,035	60,169,669	-	-
Other receivables and refundable deposits (Note 21)	20,956,389	21,772,250	585,308	14,385
Amount owing by subsidiary companies	-	-	128,627,993	114,814,367
Loan to a subsidiary company	-	-	-	1,000,000
Loan to an associate	2,384,000	4,230,000	-	-
Deposits with licensed banks	149,441,463	164,771,113	131,835,549	145,347,376
Cash and bank balances	45,116,410	42,514,281	9,166,387	3,333,650
<u>Financial assets measured at FVTPL:</u>				
Investment in Redeemable Convertible Preference Shares	2,160,000	-	2,160,000	500,000
Short term funds	100,000	19,404,627	-	19,304,627
<u>Financial asset measured at FVTOCI:</u>				
Other investments	69,411	82,500	48,596,625	28,795,250
Financial liabilities				
<u>Other financial liabilities:</u>				
Trade payables	12,536,537	12,712,201	-	-
Other payables and accrued expenses (Note 32)	35,522,355	27,437,496	540,816	1,065,449
Amount owing to subsidiary companies	-	-	2,081,920	2,955,661
Hire-purchase payables	4,271,445	10,487,230	-	-
Bank borrowings	2,532,158	4,038,379	-	-
Lease liabilities	95,379,241	105,743,572	613,111	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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36. FINANCIAL INSTRUMENTS *cont'd*

Financial Risk Management Objectives

The operations of the Group are subject to various financial risks, including credit risk, market price risk, foreign currency 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 is exposed to credit risk mainly from trade receivables, other receivables and refundable deposits and loan to an associate; whereas the Company's exposure to credit risk mainly from intercompany indebtedness.

The Group's and the Company's credit risk on deposits with licensed banks and cash and bank balances are limited as the Group and the Company place their funds with credit worthy financial institutions.

The Group does not have significant credit risk exposure to any single counterparty, other than the largest customer of the Group. Concentration of credit risk related to this customer did not exceed 15% of gross monetary assets at any time during the financial year. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the financial 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 certain banks provided to the subsidiary companies. The financial guarantees have not been recognised in the financial statements 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. The maximum exposure to credit risk in relation to the financial guarantees contract is RM37,500,000 (2022: RM38,500,000) as of the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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36. FINANCIAL INSTRUMENTS *cont'd*

Credit quality analysis

The Group uses two categories of trade receivables to determine the allowance for impairment for each category based on their credit risk.

A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	Group's definition of category
Lifetime ECL	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are from 1 to 365 days.
Credit impaired	Interest and/or principal repayments are more than 365 days.

The Group accounts for its credit risk by appropriately providing for ECL on a timely basis. In calculating the ECL rates, the Group considers historical loss rates for each category of trade receivables.

The Group provides for credit losses as follows:

Group internal credit rating	Credit quality by days past due	Basis for recognition of ECL provision	Gross carrying amount RM	Gross carrying amount (net of ECL provision) RM
2023				
Lifetime ECL	1 to 365	Lifetime ECL	60,776,459	58,784,945
Credit impaired	More than 365	Credit impaired	2,025,751	631,090
2022				
Lifetime ECL	1 to 365	Lifetime ECL	60,900,384	59,860,410
Credit impaired	More than 365	Credit impaired	2,059,822	309,259

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

Market Price Risk Management

The Group and the Company are exposed to market price risks rising from equity investments and investment in short term funds.

Other investments as disclosed in Note 19 are held for strategic rather than trading purposes. The Group and the Company do not actively trade these equity investments.

Short term funds as disclosed in Note 22 are held for trading purposes.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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36. FINANCIAL INSTRUMENTS *cont'd*

Market Price Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to market price risks at the end of the reporting period. If equity price has been 10% higher/lower, the net (loss)/profit of the Group and of the Company for the current financial year would increase/decrease by RM16,475 (2022: RM1,948,713) and RM4,859,662 (2022: RM4,809,988) respectively as a result of the changes in fair value of other investments and short-term funds.

The methods and assumptions used in preparing the sensitivity analysis above have not changed significantly from the prior financial year.

Foreign Currency Risk Management

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency risk on balances that are denominated in foreign currency, which are disclosed elsewhere in the financial statements. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

If the relevant foreign currency were to increase by 10% against Ringgit Malaysia, (loss)/profit before tax will (decrease)/increase by:

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
United States Dollar	(36,730)	(36,398)	36,457	35,762
Singapore Dollar	(516)	(847)	-	-
Indonesian Rupiah	-	-	4,859,663	2,879,525
Vietnamese Dong	1	1	1	1

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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36. FINANCIAL INSTRUMENTS *cont'd*

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's and the Company's short, medium and long-term funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

The Group	Contractual interest rate (%)	Less than 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM	Total RM
2023						
Financial liabilities						
Non-interest bearing:						
Trade payables	-	12,536,537	-	-	-	12,536,537
Other payables and accrued expenses	-	35,522,355	-	-	-	35,522,355
Interest bearing:						
Hire-purchase payables	2.10 to 6.65	3,673,508	704,487	-	-	4,377,995
Lease liabilities	2.50 to 11.35	16,785,165	40,422,769	19,113,453	38,934,322	115,255,709
Bank borrowings	7.00 to 9.30	1,469,768	1,062,390	-	-	2,532,158
		69,987,333	42,189,646	19,113,453	38,934,322	170,224,754
2022						
Financial liabilities						
Non-interest bearing:						
Trade payables	-	12,712,201	-	-	-	12,712,201
Other payables and accrued expenses	-	27,437,496	-	-	-	27,437,496
Interest bearing:						
Hire-purchase payables	2.10 to 6.65	6,346,302	3,673,508	889,853	-	10,909,663
Lease liabilities	2.50 to 11.35	17,030,646	42,291,948	26,018,877	43,053,142	128,394,613
Bank borrowings	7.00 to 9.30	1,525,923	1,499,929	1,012,527	-	4,038,379
		65,052,568	47,465,385	27,921,257	43,053,142	183,492,352

NOTES TO THE FINANCIAL STATEMENTS

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36. FINANCIAL INSTRUMENTS *cont'd*

The Company	Contractual interest rate (%)	Less than 1 year RM	1 to 2 years RM	Total RM
2023				
Financial liabilities				
Non-interest bearing:				
Other payables and accrued expenses	-	540,816	-	540,816
Amount owing to subsidiary companies	-	2,081,920	-	2,081,920
Financial guarantee contract not recognised	-	37,500,000	-	37,500,000
Interest bearing:				
Lease liabilities	4.15	320,723	320,722	641,445
		40,443,459	320,722	40,764,181
2022				
Financial liabilities				
Non-interest bearing:				
Other payables and accrued expenses	-	1,065,449	-	1,065,449
Amount owing to subsidiary companies	-	2,955,661	-	2,955,661
Financial guarantee contract not recognised	-	38,500,000	-	38,500,000
		42,521,110	-	42,521,110

Fair Values

The carrying amounts of deposits with licensed banks, cash and bank balances, trade receivables, other receivables and refundable deposits, trade payables, other payables and accrued expenses of the Group approximate their fair values because of the short maturity period of these instruments.

The carrying amounts of deposits with licensed banks, cash and bank balances, other receivables and refundable deposits, amount owing by/(to) subsidiary companies, loan to a subsidiary company, other payables and accrued expenses, inter-company indebtedness and financial guarantee contracts of the Company approximate their fair values because of the short maturity period of these instruments.

NOTES TO THE FINANCIAL STATEMENTS

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36. FINANCIAL INSTRUMENTS *cont'd*

Fair Values *cont'd*

The financial instruments carried at fair value, are categorised into Levels 1 to 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 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the short term funds of the Group and of the Company are measured at fair value in the statements of financial position as of the end of the reporting period using Level 2 inputs for the purpose of fair value hierarchy in accordance with the generally accepted pricing model based on the net asset value of the funds.

The fair values of the quoted investments of the Group and of the Company of RM64,750 and RM48,596,625 (2022: RM82,500 and RM28,795,250) respectively are measured at fair value in the statements 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 investments.

The fair values of the investment in Seed B RCPS of the Group and of the Company as of 31 December 2023 are measured at fair value in the statements of financial position as of the end of the reporting period using Level 3 inputs for the purpose of fair value hierarchy based on the present value of future free cash flows generated by the issuer under various scenarios over a specified period of time under different conversion timing, discounted at issuer's weighted average cost of capital at the end of the reporting period.

The fair value of the investment in A-RCPS of the Company as of 31 December 2022 was measured at fair value in the statement of financial position as of the end of the reporting period using Level 3 inputs for the purpose of fair value hierarchy based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

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36. FINANCIAL INSTRUMENTS *cont'd*

The fair values of loan to an associate, hire-purchase payables and bank borrowings are estimated using discounted cash flow analysis based on current borrowing rates for similar type of borrowing/financing arrangements (Level 2 inputs), as follows:

	The Group			
	2023		2022	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Asset				
Loan to an associate	2,384,000	2,270,476	4,230,000	4,028,571
Financial Liabilities				
Hire-purchase payables	4,271,445	4,074,506	10,487,230	9,485,708
Bank borrowings	2,532,158	2,258,196	4,038,379	3,511,432

37. CAPITAL COMMITMENTS

	The Group	
	2023 RM	2022 RM
Approved and contracted for:		
Purchase of tools and equipment	6,035	9,889,896
Renovation of office buildings/warehouse	41,212	1,498,696
Purchase of technology system	459,724	1,129,740
	506,971	12,518,332

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

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38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's and the Company'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 and the Company's statements of cash flows as cash flows from/(used in) financing activities:

The Group	Hire-purchase payables (Note 27)	
	2023	2022
	RM	RM
At beginning of year	10,487,230	14,542,616
Repayments of hire purchase - principal	(6,215,785)	(10,137,947)
Acquisition of a subsidiary company	-	63,870
New hire purchase agreements	-	6,018,691
Interest expense incurred (Note 8)	315,883	550,818
Interest expense paid	(315,883)	(550,818)
At end of year	4,271,445	10,487,230

The Group	Bank borrowings (Note 28)	
	2023	2022
	RM	RM
At beginning of year	4,038,379	2,266,718
Additional drawdown of bank borrowings	130,410	2,424,350
Repayments made	(1,701,766)	(758,324)
Interest expense incurred (Note 8)	277,021	181,883
Interest expense paid	(277,021)	(181,883)
Exchange differences	65,135	105,635
At end of year	2,532,158	4,038,379

NOTES TO THE FINANCIAL STATEMENTS

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38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES *cont'd*

	Lease liabilities (Note 14)			
	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
At beginning of year	105,743,572	68,051,269	-	290,953
Additions to right-of-use assets	22,442,556	104,272,621	898,489	195,136
Derecognition arising from lease expiration, termination and modification	(7,837,558)	(43,597,245)	-	-
Acquisition of subsidiary companies	-	379,413	-	-
Payments of lease liabilities - principal	(25,059,179)	(23,376,572)	(285,378)	(486,089)
Interest expenses incurred (Note 8)	4,365,640	3,664,897	35,344	8,761
Interest expenses paid	(4,365,640)	(3,664,897)	(35,344)	(8,761)
Exchange differences	89,850	14,086	-	-
At end of year	95,379,241	105,743,572	613,111	-

39. EVENTS AFTER THE REPORTING PERIOD

- (a) On 16 February 2024, the Company has granted a loan facility agreement of RM5,000,000 to its subsidiary company, Anon Security Sdn Bhd for a tenure of five years period. The loan facility granted is subject to a fixed interest rate of 4% per annum. There is an option to extend the repayment period for another five years at a new rate of interest to be mutually agreed by both parties. On 13 March 2024, the Company had partially disbursed a loan amount of RM1,000,000 to the said subsidiary company.
- (b) On 8 March 2024, approval was granted at the shareholders' and the Board of Directors' meetings to dissolve GDComma Resources Joint Stock Company and to liquidate corporate assets, pursuant to Enterprise Law No. 59/2020/QH14 passed by the National Assembly on 17 June 2020 regarding the liquidation of corporate assets under the Socialist Republic of Vietnam.

STATEMENT BY DIRECTORS

The directors of **GDEX BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of the financial performance and the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors,

TEONG TECK LEAN

Petaling Jaya,
16 April 2024

LIM CHEE SEONG

DECLARATION BY THE DIRECTOR

Primarily Responsible for the Financial Management of the Company

I, **LIM CHEE SEONG**, the director primarily responsible for the financial management of **GDEX BERHAD**, 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 16th day of April, 2024.

Before me,

CHIN CHIA MAN

B449

COMMISSIONER FOR OATHS

ANALYSIS OF SHAREHOLDINGS

As at 1 April 2024

ORDINARY SHARES

Total Number of Issued Shares : 5,641,410,835
 Class of Shares : Ordinary Shares
 Voting Rights : One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	507	3.55	16,815	0.00
100 to 1,000	1,719	12.05	879,837	0.02
1,001 to 10,000	5,980	41.92	34,651,286	0.62
10,001 to 100,000	5,146	36.07	177,242,436	3.20
100,001 to 277,070,541 ⁽¹⁾	908	6.37	1,526,127,828	27.54
277,070,542 and above ⁽²⁾	5	0.04	3,802,492,633	68.62
TOTAL	14,265	100.00	5,541,410,835⁽³⁾	100.00

Notes:

⁽¹⁾ Less than 5% of issued shares.

⁽²⁾ 5% and above of issued shares.

⁽³⁾ Excluding a total of 100,000,000 shares bought back by the Company and retained as treasury shares.

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest		Indirect Interest	
	No. of Shares Held	% ⁽¹⁾	No. of Shares Held	% ⁽¹⁾
TEONG TECK LEAN	109,412,652	1.97	2,054,230,938 ⁽²⁾	37.07
GD EXPRESS HOLDINGS (M) SDN BHD	1,384,804,622	24.99	-	-
GD HOLDINGS INTERNATIONAL LIMITED	636,831,693	11.49	-	-
SINGAPORE POST LIMITED	680,072,053	12.27	-	-
SINGAPORE TELECOMMUNICATIONS LIMITED	-	-	680,072,053 ⁽³⁾	12.27
TEMASEK HOLDINGS (PRIVATE) LIMITED	-	-	680,072,053 ⁽⁴⁾	12.27
YAMATO HOLDINGS CO., LTD	1,287,938,501	23.24	-	-

ANALYSIS OF SHAREHOLDINGS

As at 1 April 2024
cont'd

SUBSTANTIAL SHAREHOLDERS cont'd

Notes:

- ⁽¹⁾ Excluding a total of 100,000,000 shares bought back by the Company and retained as treasury shares.
- ⁽²⁾ 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.
- ⁽³⁾ Deemed interested by virtue of its substantial shareholding in Singapore Post Limited.
- ⁽⁴⁾ Deemed interested by virtue of its substantial shareholding in Singapore Telecommunications Limited, which is held through Singapore Post Limited.

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	% ⁽¹⁾	No. of Shares Held	% ⁽¹⁾
TAN SRI MUHAMMAD BIN IBRAHIM	2,300,000	0.04	-	-
TEONG TECK LEAN	109,412,652	1.97	2,054,230,938 ⁽²⁾	37.07
LIM CHEE SEONG	330,000	0.01	-	-
CHUA PUT MOY	-	-	-	-
LOW NGAI YUEN	-	-	-	-
NURAINI BINTI ISMAIL	-	-	-	-
DATO' AZMAN BIN MAHMUD	-	-	-	-
YIK YEN SHAN, VINCENT	-	-	-	-
YUJI NASHIMOTO	-	-	-	-
TEOH CHO MIN (ALTERNATE DIRECTOR TO LIM CHEE SEONG)	-	-	-	-
TEONG TSANG WHON (ALTERNATE DIRECTOR TO TEONG TECK LEAN)	-	-	-	-

Notes:

- ⁽¹⁾ Excluding a total of 100,000,000 shares bought back by the Company and retained as treasury shares.
- ⁽²⁾ 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 1 April 2024

cont'd

LIST OF TOP 30 SHAREHOLDERS AS AT 1 APRIL 2024

Name of Shareholders	Holdings	
	No. of Shares	% of Issued Capital
1. CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR NOMURA SECURITIES CO LTD (CLIENT AC)	1,287,938,501	23.24
2. GD EXPRESS HOLDINGS (M) SDN. BHD.	718,230,283	12.96
3. AFFIN HWANG NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR SINGAPORE POST LIMITED	680,072,053	12.27
4. GD EXPRESS HOLDINGS (M) SDN. BHD.	666,574,339	12.03
5. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	449,677,457	8.11
6. AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD	121,046,400	2.18
7. GD HOLDINGS INTERNATIONAL LIMITED	115,359,314	2.08
8. DING MEI SIANG	92,951,920	1.68
9. CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS-PB)	71,794,922	1.30
10. CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	71,781,232	1.30
11. TEONG TECK LEAN	65,269,665	1.18
12. AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS VICKERS SECURITIES (SINGAPORE) PTE LTD (CLIENTS)	61,710,223	1.11
13. LAU WING TAT	58,839,555	1.06
14. LOI SIEW HOONG	55,369,393	1.00
15. UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	40,382,692	0.73
16. UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	35,045,809	0.63
17. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID	35,000,000	0.63
18. AGNES CHAN WAI CHING	25,017,328	0.45
19. LEONG CHEE TONG	22,656,916	0.41
20. KONG HWAI MING	21,861,953	0.39

ANALYSIS OF SHAREHOLDINGS

As at 1 April 2024
cont'd

LIST OF TOP 30 SHAREHOLDERS AS AT 1 APRIL 2024 *cont'd*

Name of Shareholders	Holdings	
	No. of Shares	% of Issued Capital
21. TEE CHERN JYU	20,256,929	0.37
22. GDEX FOUNDATION	19,990,408	0.36
23. CHAN MOON FOOK	16,914,597	0.31
24. CHIN CHEE SUE	14,492,804	0.26
25. WANG HERNG TSUEY	12,604,215	0.23
26. TEONG TECK LEAN	12,148,238	0.22
27. MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR TEONG TECK LEAN (PW-M00797) (421083)	11,192,200	0.20
28. TEONG TECK LEAN	10,338,521	0.19
29. TAN SIEW HONG	9,843,000	0.18
30. TEONG TECK LEAN	9,782,404	0.18

ANALYSIS OF WARRANT C HOLDINGS

As at 1 April 2024

Number of Warrants	:	703,935,325
Exercise price of the warrants	:	RM0.45
Expiry date of warrants	:	4 January 2028
Rights of Warrants Holder	:	The Warrants holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in our Company until and unless such Warrants holders exercise their Warrants into new ordinary shares of the Company.

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant holdings	No. of Warrant holders	%	No. of Warrant	%
Less than 100	3,668	27.96	144,283	0.02
100 to 1,000	4,242	32.33	1,854,178	0.26
1,001 to 10,000	4,140	31.55	12,186,627	1.73
10,001 to 100,000	834	6.36	26,925,338	3.83
100,001 to 35,196,766 ⁽¹⁾	233	1.77	185,638,322	26.37
35,196,767 and above ⁽²⁾	4	0.03	477,186,577	67.79
TOTAL	13,121	100.00	703,935,325	100.00

Notes:

⁽¹⁾ Less than 5% of issued Warrants C.

⁽²⁾ 5% and above of issued Warrants C.

DIRECTORS' WARRANT HOLDINGS

Name of Directors	No. of Warrants Held			
	Direct	%	Indirect	%
TAN SRI MUHAMMAD BIN IBRAHIM	-	-	-	-
TEONG TECK LEAN	29,599,217	4.20	343,100,371 ⁽¹⁾	48.74
LIM CHEE SEONG	41,250	0.01	-	-
CHUA PUT MOY	-	-	-	-
LOW NGAI YUEN	-	-	-	-
NURAINI BINTI ISMAIL	-	-	-	-
DATO' AZMAN BIN MAHMUD	-	-	-	-
YIK YEN SHAN, VINCENT	-	-	-	-
YUJI NASHIMOTO	-	-	-	-
TEOH CHO MIN	-	-	-	-
(ALTERNATE DIRECTOR TO LIM CHEE SEONG)	-	-	-	-
TEONG TSANG WHON	-	-	-	-
(ALTERNATE DIRECTOR TO TEONG TECK LEAN)	-	-	-	-

ANALYSIS OF WARRANT C HOLDINGS

As at 1 April 2024
cont'd

DIRECTORS' WARRANT HOLDINGS *cont'd*

Notes:

⁽¹⁾ 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.

LIST OF TOP 30 WARRANT HOLDERS AS AT 1 APRIL 2024

Name of Warrant Holders	Holdings	
	No. of Warrants	%
1. GD EXPRESS HOLDINGS (M) SDN. BHD.	170,205,798	24.18
2. CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR NOMURA SECURITIES CO LTD (CLIENT AC)	160,992,312	22.87
3. GD EXPRESS HOLDINGS (M) SDN. BHD.	89,778,785	12.75
4. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	56,209,682	7.99
5. GD HOLDINGS INTERNATIONAL LIMITED	14,419,914	2.05
6. DING MEI SIANG	11,618,990	1.65
7. MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR TEONG TECK LEAN (PW-M00797)(421083)	10,500,000	1.49
8. CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS-PB)	8,411,865	1.20
9. TEONG TECK LEAN	7,822,308	1.11
10. AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD FOR TEONG TECK LEAN (6186-1501)	6,232,503	0.89
11. UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	5,047,836	0.72
12. WONG HAW MING	5,000,000	0.71
13. AGNES CHAN WAI CHING	4,113,122	0.58
14. LEE KAR LEONG	3,570,000	0.51
15. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE CHUAN (7007197)	3,500,000	0.50
16. UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	3,408,246	0.48
17. TEE CHERN JYU	3,308,591	0.47

ANALYSIS OF WARRANT C HOLDINGS

As at 1 April 2024

cont'd**LIST OF TOP 30 WARRANT HOLDERS AS AT 1 APRIL 2024** *cont'd*

Name of Warrant Holders	Holdings	
	No. of Warrants	%
18. KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHOON KHONG	2,933,900	0.42
19. GDEX FOUNDATION	2,498,801	0.36
20. TEONG TECK LEAN	2,303,077	0.33
21. PACIFIC & ORIENT INSURANCE CO BERHAD	2,000,000	0.28
22. CHIN CHEE SUE	1,811,600	0.25
23. CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR LGT BANK AG (FOREIGN)	1,723,624	0.24
24. LEE YUEN SHANG	1,678,068	0.24
25. TAN SIEW HONG	1,580,000	0.22
26. WANG HERNG TSUEY	1,575,526	0.22
27. TEONG TECK LEAN	1,518,529	0.22
28. CHAN CHUNG SWEE	1,500,000	0.21
29. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (HONGKONG BRANCH)	1,488,916	0.21
30. AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS VICKERS SECURITIES (SINGAPORE) PTE LTD (CLIENTS)	1,391,447	0.20

GROUP PROPERTY PARTICULARS

No.	Location of Property	Description/ Existing use	Approximately Land Area (sq.ft)	Tenure	Approximately Age of Building (years)	Net Book Value as at 31.12.2023 (RM)	Date of Revaluation (R)/Date of Acquisition (A)
(1)	17, Jalan Tandang, 46050 Petaling Jaya, Selangor Darul Ehsan	Corporate Head Office	108,629	99 years expiring 01 February 2058	64	15,533,419	-
(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	48	4,995,375	20.06.2009 and 30.06.2009
(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	7	4,781,386	-
(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	8	3,384,000	30.6.2020
(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	14	2,500,800	31.12.2021
(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 21 June 2052	31	10,434,000	30.06.2020
(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	7	4,529,787	-

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting (“**20th AGM**”) of the Company will be conducted virtually through remote participation and electronic voting via the online meeting platform at <https://conveneagm.my/gdexagm2024> from the broadcast venue at Level 10, KPMG Tower, No 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 11 June 2024 at 11.00 a.m. and at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

AGENDA

As Ordinary Business

- | | | |
|----|---|---|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2023, together with the Directors’ and Auditors’ Reports thereon. | Please refer to Explanatory Note 1 |
| 2. | To approve the payment of a final single-tier dividend of 0.10 sen per ordinary share in respect of the financial year ended 31 December 2023. | Ordinary Resolution 1 |
| 3. | To approve the payment of Directors’ fees and benefits payable to the Independent Non-Executive Directors of the Company up to an aggregate amount of RM516,000.00 for the period from 12 June 2024 until the conclusion of the next Annual General Meeting of the Company. | Ordinary Resolution 2 |
| 4. | To re-elect the following Directors who retire pursuant to Clause 96 of the Constitution of the Company: | |
| | (a) Teong Teck Lean | Ordinary Resolution 3 |
| | (b) Dato’ Azman bin Mahmud | Ordinary Resolution 4 |
| | (c) Nuraini binti Ismail | Ordinary Resolution 5 |
| 5. | To re-elect Yuji Nashimoto who retire pursuant to Clause 103 of the Constitution of the Company. | Ordinary Resolution 6 |
| 6. | To re-appoint Messrs Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 7 |

As Special Business

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

- | | | |
|----|--|------------------------------|
| 7. | Authority under Section 75 and Section 76 of the Companies Act 2016 for the Directors to allot and issue shares | Ordinary Resolution 8 |
|----|--|------------------------------|

“**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.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

cont'd

THAT pursuant to Section 85 of the Companies Act 2016, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued Company's shares arising from any issuance of new Company's shares pursuant to Section 76 of the Companies Act 2016.

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."

8. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **Ordinary Resolution 9**

"**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 3.5 of the Circular to Shareholders dated 30 April 2024, provided that:

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

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING **cont'd**

- 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.”

9. **Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares** **Ordinary Resolution 10**

“**THAT** subject to the Companies Act 2016 (“**Act**”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise an amount not exceeding the Company’s aggregate retained profits as at 31 December 2023 to purchase such amount of ordinary shares in the Company (“**Proposed Renewal of Share Buy-Back Authority**”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company.

THAT an amount not exceeding the Company’s retained profits to be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority.

THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them.

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:

- a) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
- b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

cont'd

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

AND THAT the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Share Buy-Back Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority.”

10. To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

CHIN WAI YI (MAICSA 7069783) (SSM PC No.: 202008004409)
 CHIA SIEW LI (MAICSA 7075719)(SSM PC No.: 202208000715)
 Company Secretaries
 Kuala Lumpur
 30 April 2024

Notes:

1. *The 20th AGM of the Company will be conducted as a virtual meeting through live streaming and online remote voting via Remote Participation and Voting (“RPV”) facilities. The Company has appointed KPMG Management & Risk Consulting Sdn. Bhd. as the Poll Administrator for the 20th AGM to facilitate the RPV facilities via <https://conveneagm.my/gdexagm2024>. Shareholders of the Company are required to register for the 20th AGM not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof. **(Please follow the procedures as stipulated in the Administrative Guide).***
2. *The venue of the 20th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the meeting to be present at the main venue of the meeting. **NO SHAREHOLDER(S)/PROXY(IES)** from the public will be allowed to be physically present at the Broadcast Venue.*
3. *In respect of deposited securities, only members whose names appear in the Company’s Record of Depositors on 29 May 2024 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint a proxy(ies) to attend and/or vote on his/her behalf.*
4. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
5. *Where a member is an Exempt Authorised Nominee who holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING cont'd

6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.*
7. *The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the 20th AGM or at any adjournment thereof, as follows:*
 - (a) ***In hard copy form***

*The original instrument appointing a proxy ("**Form of Proxy**") must be deposited at KPMG Management & Risk Consulting Sdn. Bhd. at Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.*
 - (b) ***By electronic means***

The Proxy Form can also be lodged electronically via ConveneAGM Meeting Platform at <https://conveneagm.my/gdexagm2024> or by email to support_conveneagm@kpmg.com.my. Please follow the procedures provided in the Administrative Guide for the 20th AGM in order to deposit the Proxy Form electronically.
8. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of 20th AGM will be put to the vote by way of poll.*

EXPLANATORY NOTES:

1. Item 1 of the Agenda - Audited Financial Statements

Item 1 of the Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require the 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 - Directors' Fees and Benefits Payable

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of the 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 and any benefits payable of RM516,000.00 for the period from 12 June 2024 until the conclusion of the next annual general meeting to the Independent Non-Executive Directors.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

cont'd

3. Item 4 of the Agenda - Re-election of Directors pursuant to Clause 96 of the Constitution of the Company

Pursuant to the Malaysian Code on Corporate Governance 2021, the profiles of the Directors who are standing for re-election as per Agenda items are as follows:

Description	Ordinary Resolution 3
Name of the Director	Teong Teck Lean (Managing Director/Group Chief Executive Officer)
Age	63
Gender	Male
Present Directorship(s)	(1) GDEX Berhad
Family relationship with any Director and/or major shareholder of the Company	Mr Teong Teck Lean and his spouse, Madam Wang Heng Tsuey are substantial shareholders and directors of GD Express Holdings (M) Sdn Bhd (“GDEHM”) and GD Holdings International Limited (“GDHIL”) in which Mr Teong Teck Lean, GDEHM, and GDHIL are substantial shareholders of the Company. Mr. Teong Teck Lean is the father of Mr. Teong Tsang Whon, an Alternate Director to Mr. Teong Teck Lean.
Working experience	Mr Teong was appointed to the Board on 8 February 2005. He holds a degree in Electrical and Electronics Engineering from the University of Manitoba, Canada in 1983. Mr Teong started his career as an engineer with Texas Instruments in 1984. He later joined Lembaga Letrik Negara where he served as a Consumer Engineer for four (4) years. He then joined the stock broking industry and became a dealer with OSK Securities Berhad in 1990. During this stint in the broking industry, he developed extensive contacts and the skills pertinent to managing a service centric business. In 2000, he acquired a controlling stake in GD Express Sdn Bhd. He was instrumental in turning the Group around by putting corporate policies and best practices in place, which cumulated in the listing of GDEX on the MESDAQ Market (currently known as ACE Market) on Bursa Securities in 2005. Currently, Mr Teong is responsible for the business development, setting strategic direction and 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. Mr Teong served as the president of the Association of Malaysian Express Carriers (AMEC) from 2020 until 2023. He currently sits on the board of SJKC Chung Hwa (P) Kuala Lumpur.

The Board, based on the recommendation of the Combined Nomination and Remuneration Committee, supports the re-election of Mr Teong Teck Lean as Managing Director/Group Chief Executive Officer of the Company based on the following justifications:

1. Mr. Teong Teck Lean has overall responsibility for creating, planning, implementing and integrating the strategic direction of the Company. He is familiar with the Company’s business operations and able to provide valuable input to steer the Company forward.
2. Mr. Teong Teck Lean has exercised his due care and carried out his professional duties proficiently during his tenure as Managing Director/Group Chief Executive Officer of the Company.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

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Description	Ordinary Resolution 4
Name of the Director	Dato' Azman bin Mahmud (Independent Non-Executive Director)
Age	63
Gender	Male
Present Directorship(s)	(1) GDEX Berhad (2) Panasonic Manufacturing Malaysia Berhad (3) Privasia Techonology Berhad (4) Cnergenz Berhad (5) Texchem Resources Berhad
Family relationship with any Director and/or major shareholder of the Company	He has no family relationship with any Director and/or major shareholder of the Company.
Working experience	<p>Dato' Azman Bin Mahmud was appointed to the Board of GDEX Berhad on 1 June 2021. He graduated from Universiti Putra Malaysia in 1986 with a Bachelor of Engineering (Agriculture) in 1986. Dato' Azman has also attended several leadership and professional development programmes such as 'A Cutting Edge of Development Thinking', Harvard Kennedy School, USA; 'Leading Change & Organizational Renewal', Harvard Business School, USA; Strategy Execution Programme, INSEAD France; APAC Government Leadership Programme (AGLP) in Croton Ville, New York, USA; and Temasek Foundation International Asia Leader's Connect, Singapore.</p> <p>After having served with the Malaysian Investment Development Authority (MIDA) for over three decades, Dato' Azman Mahmud ended his tenure there as the Chief Executive Officer. He was entrusted with immense responsibility to drive investments into the country and lead the organization in advising, formulating and recommending strategies, policies, investment and industry development programmes in the manufacturing and services sectors to the Government of Malaysia. In his former role as CEO of MIDA, he was also pivotal in attracting foreign investments into the country, in addition to being instrumental in driving domestic investments in various industries and sectors. He was appointed as Chairman of Exim Bank a government-owned development financial institution from October 2021 - September 2023.</p> <p>He holds Chairmanship positions on several boards of companies which include Panasonic Malaysia Sdn Bhd, Panasonic Manufacturing Malaysia Berhad, SME Aerospace Sdn Bhd, Privasia Technology Bhd and Cnergenz Berhad. He is also an Independent Non-Executive Director of Texchem Resources Bhd.</p> <p>In addition, he is a board member of companies within the Panasonic Group of Companies Malaysia, Akademi Transformasi Asnaf Perlis Sdn Bhd (a subsidiary of Majlis Agama Islam Perlis) and Kulim Technology Park Corporation (a high technology industrial park developer under SEDC of Kedah). He is also an investment panel member for Penjana Kapital (an entity established by the Ministry of Finance in July 2020).</p>

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

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The Board, based on the recommendation of the Combined Nomination and Remuneration Committee, supports the re-election of Dato' Azman bin Mahmud as Independent Non-Executive Director of the Company based on the following justifications:

1. Dato' Azman Bin Mahmud fulfils the requirements of independence set out in Bursa Malaysia Securities Berhad Main Market Listing Requirements. He remains objective and independent in expressing his view and participating in Board's deliberations and decision making process.
2. Dato' Azman bin Mahmud has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Director of the Company.

Description	Ordinary Resolution 5
Name of the Director	Nuraini binti Ismail (Independent Non-Executive Director)
Age	61
Gender	Female
Present Directorship(s)	(1) GDEX Berhad (2) Bank Islam Malaysia Berhad (3) LBS Bina Group Berhad
Family relationship with any Director and/or major shareholder of the Company	She has no family relationship with any Director and/or major shareholder of the Company.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

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Working experience	<p>Puan Nuraini Binti Ismail was appointed to the Board on 1 January 2022. She is currently the Chairperson of the Combined Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee. Puan Nuraini is a Fellow member of the Association of Chartered Certified Accountants (FCCA) with more than 35 years' work experience. Her working experience includes the areas of finance, treasury, corporate finance, debt capital markets, trade finance, banking, financial, credit and trading risks, audit & governance, corporate planning, logistics, as well as operations. Being a Jabatan Perkhidmatan Awam (JPA) scholar, she started her career at the Accountant General Office in 1985 and thereafter joined an audit firm to commence her professional working experience.</p> <p>Prior to her appointment to the Board of GDEX Berhad, Puan Nuraini was with PETRONAS for 29 years, since 1992 and the last position held prior to her retirement in 2021 was the Vice-President of Treasury. She has held various senior positions in PETRONAS Group including Senior General Manager, Group Treasury of PETRONAS, General Manager, Finance & Accounts Services and General Manager, Commercial Services of Malaysian International Trading Corporation Sdn Bhd. She was also appointed as a Non-Independent Non-Executive Director of Petronas Dagangan Berhad from 11 November 2011 until 31 May 2021 and was a member of Audit Committee from 1 December 2013 until 31 May 2021.</p> <p>Puan Nuraini is also appointed as an Independent Non-Executive Director of Bank Islam Malaysia Berhad, MCIS Insurance Berhad, LBS Bina Group Berhad, IIUM Holdings Sdn Berhad (IIUM), a wholly-owned subsidiary of the International Islamic University of Malaysia, IIUM Educare Sdn Bhd which are wholly owned subsidiaries of IIUMH and IIUM Daya Bersih Sdn Bhd.</p> <p>Her past experience also included Secretary of the National Trust Fund and Secretary General of Yayasan UTP University Technology Petronas.</p> <p>Prior to joining PETRONAS, she had served in various organisations, including Bank Bumiputra Malaysia Berhad, Bumiputra Merchant Bankers, and Mayban Finance Berhad.</p>
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The Board, based on the recommendation of the Combined Nomination and Remuneration Committee, supports the re-election of Puan Nuraini binti Ismail as Independent Non-Executive Director of the Company based on the following justifications:

1. Puan Nuraini binti Ismail fulfils the requirements of independence set out in Bursa Malaysia Securities Berhad Main Market Listing Requirements. She remains objective and independent in expressing her view and participating in Board's deliberations and decision making process.
2. Puan Nuraini binti Ismail has exercised her due care and carried out her professional duties proficiently during her tenure as Independent Non-Executive Director of the Company.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

cont'd

4. Item 5 of the Agenda - Re-election of Director pursuant to Clause 103 of the Constitution of the Company

Pursuant to the Malaysian Code on Corporate Governance 2021, the profile of the Director who is standing for re-election as per Agenda items is as follows:

Description	Ordinary Resolution 6
Name of the Director	Yuji Nashimoto (Non-Independent Non-Executive Director)
Age	49
Gender	Male
Present Directorship(s)	(1) GDEX Berhad
Family relationship with any Director and/or major shareholder of the Company	He has no family relationship with any Director and/or major shareholder of the Company.
Working experience	<p>Mr. Yuji Nashimoto was appointed to the Board on 1 February 2024. He graduated from Keio University with a Degree in Business Commerce in 1998. He began his career at Yamato and worked in various management roles, such as Manager at Yamato Holding Co., Ltd and Vice President at Yamato Transport USA. Nashimoto is currently the Managing Director at Yamato Transport (S) Pte. Ltd.</p> <p>He has contributed to Yamato's business growth in Europe, the US, and Asia for 20 years. Nashimoto has great expertise in cross-border e-commerce and global forwarding, where he has helped acquire many customers and contributed to the company's growth.</p> <p>Nashimoto also has extensive experience in the e-commerce industry, in addition to IT skills honed during his concurrent role as the head of IT department at Yamato Transport USA; equipping him with cross-functional experience in operations and technology.</p>

The Board, based on the recommendation of the Combined Nomination and Remuneration Committee, supports the re-election of Mr. Yuji Nashimoto as Non-Independent Non-Executive Director of the Company based on the following justifications:

1. Mr. Yuji Nashimoto has vast experience in transportation and and logistics service.
2. Mr. Yuji Nashimoto has exercised his due care and carried out his professional duties proficiently during his tenure as Non-Independent Non-Executive Director of the Company.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

cont'd

5. Item 6 of the Agenda – Re-appointment of Auditors

The auditors of the Company must be re-appointed at each Annual General Meeting. The Proposed Ordinary Resolution 7 proposes the re-appointment of Messrs Deloitte PLT to hold office until the conclusion of the next Annual General Meeting.

The Audit and Risk Management Committee, at its meeting held on 28 February 2024, had undertaken an annual assessment of the suitability and effectiveness of the audit process, performance, suitability and independence of Messrs Deloitte PLT.

6. Item 7 of the Agenda - Authority under Section 75 and Section 76 of the Companies Act 2016 for the Directors to allot and issue shares

The Company had, at its Nineteenth Annual General Meeting held on 8 June 2023, obtained its shareholders' approval for the general mandate for the issuance of shares pursuant to Section 75 and Section 76 of the Companies Act 2016 ("Act"). As of the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

The proposed Ordinary Resolution 8 is a renewal of the general mandate for the issuance of shares by the Company under Section 75 and Section 76 of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 will allow the Directors of the Company to issue new shares of the Company, which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

The authority will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares for purposes of funding investment project(s), working capital and/or acquisition.

7. Item 8 of the Agenda - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 9 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 April 2024 for further information.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

cont'd

8. Item 9 of the Agenda - Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares

The proposed Ordinary Resolution 10, if passed, will empower the Company to purchase and/or hold up to 10% of the total number of issued shares of the Company. This authority, unless revoked or varied by the Company at a general meeting, shall continue to be in full force until the conclusion of the next Annual General Meeting of the Company.

Please refer to the Statement to Shareholders dated 30 April 2024 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.

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

PROXY FORM

CDS ACCOUNT NO. OF AUTHORISED NOMINEE
NUMBER OF SHARES HELD

*I/We, _____ NRIC/Passport/Company No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

contact no. _____ email address _____ being a member/members of **GDEX Berhad** ("**Company**") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company ("**20th AGM**") which will be conducted virtually through remote participation and electronic voting via the online meeting platform at <https://conveneagm.my/gdexagm2024> from the broadcast venue at Level 10, KPMG Tower, No 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 11 June 2024 at 11.00 a.m. and at any adjournment thereof.

IMPORTANT NOTE:

Please (i) tick [✓] either **ONE** of the option (a) or (b) for the number of proxy which you wish to appoint, (ii) complete the details of your proxy/proxies and the proportion of your shareholding to be represented (if applicable), (iii) please tick [✓] option (c) if you would like to appoint the Chairman of the 20th AGM as the proxy or failing the proxy to vote on your behalf and (iv) sign or execute this form.

Option	Name of proxy(ies)	NRIC/Registration No.	Email Address & Phone Number	Proportion of shareholding to be represented
(a)	Appoint ONE proxy only (Please complete details of proxy below)			100%
(b)	Appoint MORE THAN ONE proxy (Please complete details of proxies below)			
Proxy 1				%
Proxy 2				%
				100%
(c)	The Chairman of the 20th AGM as my/our proxy and/or failing the above proxy to vote for me/us on my/our behalf			

My/our proxy/proxies is/are to vote as indicated below:

Please indicate with an "X" in the appropriate box provided to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on the Resolutions, the proxy shall vote at his/her discretion, or abstain from voting as the proxy thinks fit.

No.	Resolutions	For		Against	
		Proxy 1	Proxy 2	Proxy 1	Proxy 2
Ordinary Business					
Ordinary Resolution 1	To approve the payment of a final single-tier dividend of 0.10 sen per ordinary share in respect of the financial year ended 31 December 2023				
Ordinary Resolution 2	To approve the payment of Directors' fees and benefits payable to the Independent Non-Executive Directors of the Company up to an aggregate amount of RM516,000.00 for the period from 12 June 2024 until the conclusion of the next Annual General Meeting of the Company				
Ordinary Resolution 3	To re-elect Teong Teck Lean as Director				
Ordinary Resolution 4	To re-elect Dato' Azman bin Mahmud as Director				
Ordinary Resolution 5	To re-elect Nuraini binti Ismail as Director				
Ordinary Resolution 6	To re-elect Yuji Nashimoto as Director				
Ordinary Resolution 7	To re-appoint Messrs Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration				
Special Business					
Ordinary Resolution 8	To authorise the Directors to allot and issue shares pursuant to Section 75 and 76 of the Companies Act 2016				
Ordinary Resolution 9	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				
Ordinary Resolution 10	To approve the Proposed Renewal of Authority for the Company to purchase its own Ordinary Shares				

Dated this _____ day of _____ 2024

Signature/Common Seal of Shareholder

Contact No: _____

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Notes:

1. The 20th AGM of the Company will be conducted as a virtual meeting through live streaming and online remote voting via Remote Participation and Voting ("**RPV**") facilities. The Company has appointed KPMG Management & Risk Consulting Sdn. Bhd. as the Poll Administrator for the 20th AGM to facilitate the RPV facilities via <https://conveneagm.my/gdexagm2024>. Shareholders of the Company are required to register for the 20th AGM not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof. **(Please follow the procedures as stipulated in the Administrative Guide).**
2. The venue of the 20th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the meeting to be present at the main venue of the meeting. **NO SHAREHOLDER(S)/PROXY(IES)** from the public will be allowed to be physically present at the Broadcast Venue.
3. In respect of deposited securities, only members whose names appear in the Company's Record of Depositors on 29 May 2024 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint a proxy(ies) to attend and/or vote on his/her behalf.
4. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
5. Where a member is an Exempt Authorised Nominee who holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.

Fold along this line (1)

Please Affix
Stamp

**The Administration and Polling
Agent of GDEX BERHAD**

**KPMG Management &
Risk Consulting Sdn. Bhd.**

Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama,
47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

Fold along this line (2)

7. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the 20th AGM or at any adjournment thereof, as follows:
 - (a) **In hard copy form**

The original instrument appointing a proxy ("**Form of Proxy**") must be deposited at KPMG Management & Risk Consulting Sdn. Bhd. at Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
 - (b) **By electronic means**

The Proxy Form can also be lodged electronically via ConveneAGM Meeting Platform at <https://conveneagm.my/gdexagm2024> or by email to support_conveneagm@kpmg.com.my. Please follow the procedures provided in the Administrative Guide for the 20th AGM in order to deposit the Proxy Form electronically.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of 20th AGM will be put to the vote by way of poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to Personal Data Protection Act, 2010.



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