

GDEX Expansion and Diversification Accelerates Malaysia's E-Commerce Logistics Growth

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Further expanding the existing capacity, GDEX Group also intends to diversify its information technology (IT) infrastructure systems to efficiently support its operation in the regions for the next five (5) years. This novel system will include the future use of DeKAT (Social Commerce Supply Chain) to extend the logistics services and create a seamless supply chain facility to the small and medium-sized enterprises (SMEs), social entrepreneurs and fulfilment houses; KITA (Last Mile Delivery Platform) an efficient hybrid model to provide 5,000 sustainable gig economy opportunities; and R'MADA (Fleet Operation as well as Maintenance Platform and System) to increase productivity and efficiency of fleet management.

Dato' Azman Mahmud, Chief Executive Officer of the Malaysian Investment Development Authority (MIDA), said "E-commerce has been the fastest growing sector in the global trade landscape and assumed to be an integral component in enabling the growth of supply chain industry. While Malaysia continues to create a pro-business environment, GDEX expansion and diversification will complement the logistical infrastructure in providing seamless and reliable services to e-commerce and e-fulfilment activities."

Since its inception in March 1996, GDEX Group through GDSB has been developing feasible IT solutions to support e-commerce activities such as myGDEX. It is an online shipping platform to enhance customer's delivery experience; cloud-based call centre and Interactive Voice Response (IVR) support to allow companies deploying call centre at any strategic area within Malaysia. It also includes the GDEX mobile apps for courier which will enable couriers to update the status of pick-up and delivery on a real-time basis; e-wallet payment acceptance and GDEX e-commerce integration which provides seamless integration with online stores such as WOO Commerce, Magento, opencart, NET SHOP, payex and unicart.

GDSB has been granted with tax incentive by MIDA to carry out Integrated Logistics Services (ILS) activities as an expansion project and e-commerce/e-fulfillment diversity project. The Government through MIDA provides incentive to encourage logistics companies to undertake logistics operation in an integrated manner, to adopt technology in their operations and to position themselves as regional e-Fulfilment hub providers in Malaysia. For the period of January to September 2020, MIDA has approved a total of seven (7) ILS projects worth RM708.9 million, including two related to the e-commerce/e-fulfillment projects.

"The ILS incentive came in timely as a catalyst for the Group to embark on the programmes in

improving, expanding and innovate its operations and products offerings. It enables us to strengthen our logistical support facilities and capabilities,” said Tan Sri Muhammad bin Ibrahim, Chairman of GDEX. “This incentive will motivate us to continue with our vision to become an ASEAN courier and e-logistic company. The ILS incentive would also contribute positively to our effort to tighten up our operations and improve service quality. MIDA’s support and facilitation to the business community will go a long way in promoting a strong, resilient and reliable courier and logistics industry for the country.”

MIDA will continue to facilitate companies in their project implementations which subsequently help to chart the growth and development of the e-commerce sector; in result, positioning Malaysia as the Regional e-Fulfillment Hub.

For more information, please contact:

Mr. Hazli Jemaat

Director of Oil & Gas, Maritime
and Logistics Services Division, MIDA

Email: hazli@mida.gov.my

DL: +603 2267 6791

Mr. Lim Chee Seong

Executive Director / Chief Financial Officer
GD Express Sdn. Bhd.

Email: cslim@gdexpress.com

DL: +603 7787 2228

About MIDA

MIDA is the government's principal investment promotion and development agency under the Ministry of International Trade and Industry (MITI) to oversee and drive investments into the manufacturing and services sectors in Malaysia. Headquartered in Kuala Lumpur Sentral, MIDA has 12 regional and 20 overseas offices. MIDA continues to be the strategic partner to businesses in seizing the opportunities arising from the technology revolution of this era. For more information, please visit www.mida.gov.my and follow us on Twitter, Instagram, Facebook, LinkedIn and YouTube channel.

About GDEX

Established in 1996, GDEX provides integrated logistics services for both domestic and international B2B, B2C and C2C markets in Malaysia. Supported by more than 600 network points, 1,300 vehicles and 4,400 employees, the company provides, among others, next day express courier service, customised delivery solution, international shipping, digitized shipping platform and warehouse fulfillment to a diversified customer base. After many years of continuous growth in Malaysia, GDEX diversified into South East Asia (SEA) region with first investment in Singapore in 2005, Indonesia in 2016 and Vietnam in 2019. The Group now employs almost 9,000 workforces across the region to build up its regional network. The strong partnership with Yamato Holdings Co, Ltd (GDEX’s 2nd largest shareholder) will enable both parties to capitalise on each other's strengths to tap into the most lucrative ASEAN markets.

To accelerate growth on the regional front, the Group embarks on aggressive digitalization initiatives



to make itself a digital company. Currently, GDEX Malaysia employs approximately 50 IT personnel and 100 IT engineers in its associate company Web Bytes Sdn Bhd which provides cloud-based point of sale system and solution.