



GDEX BERHAD (Registration No. 200301028159 (630579-A))
 (Formerly known as GD EXPRESS CARRIER BHD)
 (Incorporated in Malaysia under the Companies Act, 1965)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2021

	2021 (RM'000)	Three Months Ended 30 June 2020 (RM'000)	Unaudited 30 June 2021 (RM'000)	Current Period To-Date Audited 30 June 2020 (RM'000)
Revenue	106,668	105,334	430,507	364,010
Operating expenses	(99,847)	(97,299)	(404,404)	(349,717)
Other operating income	2,856	2,556	10,349	9,924
Profit from operations	9,677	10,591	36,452	24,217
Finance costs	(1,016)	(1,867)	(4,516)	(6,062)
Share of post-tax profit of associated companies	1,248	588	4,342	5,585
Profit before tax	9,909	9,312	36,278	23,740
Income tax expense	(2,875)	(1,469)	(10,250)	(5,249)
Net profit for the period	7,034	7,843	26,028	18,491
Other comprehensive income:				
Foreign currency translation differences for foreign operations	368	992	(468)	803
Re-measurements of post-employment benefit obligations	-	(324)	-	(324)
	368	668	(468)	479
Total comprehensive income for the period	7,402	8,511	25,560	18,970
Profit attributable to				
Owners of the company	6,396	7,695	26,086	18,534
Non-controlling interest	638	148	(58)	(43)
	7,034	7,843	26,028	18,491
Comprehensive income attributable to				
Owners of the company	6,764	8,363	25,618	19,013
Non-controlling interest	638	148	(58)	(43)
	7,402	8,511	25,560	18,970
Earnings per share :				
Basic EPS (sen)	0.11	0.14	0.46	0.33
Diluted EPS (sen)	0.12	0.14	0.47	0.33

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Unaudited 30.06.2021 (RM'000)	Audited 30.06.2020 (RM'000)
ASSETS		
Non-current Assets		
Property, plant and equipment	122,776	114,096
Right-of-use assets	83,280	97,021
Investment properties	2,725	17,425
Investment in associates	39,386	35,044
Goodwill arising from consolidation	3,249	3,455
Loan to an associate	2,050	2,050
Investment in redeemable convertible preference shares	500	500
	253,966	269,591
Current Assets		
Inventories	1,798	1,223
Trade receivables	67,030	72,156
Other receivables and prepaid expenses	22,983	23,656
Tax recoverable	13,457	21,746
Short-term funds	108,833	78,768
Deposits with licensed banks	128,538	151,077
Cash and bank balances	48,373	37,839
	391,012	386,465
Total Assets	644,978	656,056
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	337,896	337,896
Treasury shares	(15,792)	(905)
Reserves	160,549	146,189
Non-controlling interests	13,395	13,247
Total Equity	496,048	496,427
Non-Current Liabilities		
Hire-purchase payables	5,443	10,722
Bank borrowings	1,976	54
Lease liabilities	47,926	60,055
Provision for retirement benefits	638	638
Deferred tax liabilities	7,599	6,627
Total Non-current Liabilities	63,582	78,096



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021
(cont'd)

	Unaudited 30.06.2021 (RM'000)	Audited 30.06.2020 (RM'000)
Current liabilities		
Trade payables	13,280	11,047
Other payables and accrued expenses	40,172	33,370
Hire-purchase payables	13,202	18,811
Bank borrowings	-	888
Lease liabilities	17,857	17,154
Provision for taxation	837	263
Total Current Liabilities	<u>85,348</u>	<u>81,533</u>
Total Liabilities	<u>148,930</u>	<u>159,629</u>
Total Equity And Liabilities	<u>644,978</u>	<u>656,056</u>
Net Assets per share attributable to owners of the company (RM)	<u>0.09</u>	<u>0.09</u>

The above Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2021

	Issued Share capital (RM'000)	Treasury Shares (RM'000)	Non- distributable reserves - Translation reserve (RM'000)	Distributable reserve - Retained earnings (RM'000)	Attributable to the owners of the parent (RM'000)	Non-controlling interests (RM'000)	Total (RM'000)
As of 1 July 2019	337,888	-	346	140,931	479,165	-	479,165
Profit for the period	-	-	-	18,534	18,534	(43)	18,491
Other comprehensive income	-	-	803	(324)	479	-	479
Total comprehensive income for the period	-	-	803	18,210	19,013	(43)	18,970
Arising from warrants exercised	8	-	-	-	8	-	8
Shares repurchased	-	(905)	-	-	(905)	-	(905)
Acquisition of a subsidiary company	-	-	-	-	-	13,290	13,290
Dividends	-	-	-	(14,101)	(14,101)	-	(14,101)
	8	(905)	803	4,109	4,015	13,247	17,262
As of 30 June 2020 (Audited)	337,896	(905)	1,149	145,040	483,180	13,247	496,427



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2021 (cont'd)

	Issued Share capital (RM'000)	Treasury Shares (RM'000)	Non- distributable reserves- Translation reserve (RM'000)	Distributable reserve – Retained earnings (RM'000)	Attributable to the owners of the parent (RM'000)	Non-controlling interests (RM'000)	Total (RM'000)
As of 1 July 2020	337,896	(905)	1,149	145,039	483,179	13,247	496,426
Profit for the period	-	-	-	26,086	26,086	(58)	26,028
Other comprehensive income	-	-	(468)	-	(468)	-	(468)
Total comprehensive income for the period	-	-	(468)	26,086	25,618	(58)	25,560
Effect of adjustments for Purchase Price Allocation (“PPA”)	-	-	-	-	-	206	206
Shares repurchased	-	(14,887)	-	-	(14,887)	-	(14,887)
Dividends	-	-	-	(11,257)	(11,257)	-	(11,257)
	-	(14,887)	(468)	14,829	(526)	148	(378)
As of 30 June 2021 (Unaudited)	337,896	(15,792)	681	159,868	482,653	13,395	496,048

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	Unaudited 30 June 2021 (RM'000)	Period Ended Audited 30 June 2020 (RM'000)
Cash flows from operating activities		
Profit for the year	26,028	18,491
Adjustments for non-cash items	47,895	39,805
Operating profit before changes in working capital (Increase)/Decrease in working capital	73,923	58,296
Inventories	(575)	497
Receivables, deposits and prepayment	6,056	1,599
Payables and accruals	9,036	2,960
Cash generated from operations	88,440	63,352
Income tax refund	6,783	550
Income tax paid	(7,217)	(8,625)
Retirement benefit paid	-	(38)
Net cash from operating activities	88,006	55,239
Cash flows from investing activities		
Net cash outflow on acquisition of subsidiary companies	-	(6,434)
Acquisition of property, plant and equipment	(10,406)	(11,479)
Investment in associated companies	-	(415)
Loan to an associate	-	(50)
Proceeds from disposal of property, plant and equipment	541	196
Decrease in deposits paid for property, plant and equipment	-	782
Interest received	5,543	7,593
Increased in short term funds	(28,000)	(64,892)
Decreased in fixed deposit pledged with licensed bank	28,397	86,474
Net cash generated from investing activities	(3,925)	11,775
Cash flows from financing activities		
Consideration paid for share repurchased	(14,887)	(905)
Net Repayment/drawdown of bank borrowings	1,035	(3,019)
Net payment of hire purchase payables	(20,060)	(21,970)
Proceed from allotment of shares	-	9
Payment of lease liabilities	(20,771)	(17,792)
Finance costs paid	(1,298)	(2,092)
Dividends paid	(11,257)	(14,101)
Net cash used in financing activities	(67,238)	(59,870)
Net change in cash and cash equivalents	16,843	7,144
Effect of exchange difference	(451)	743
Cash and cash equivalents at beginning of period	37,947	30,060
Cash and cash equivalents at end of period	54,339	37,947



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (Cont'd)

*During the current financial year under review, the Group acquired property, plant and equipment and prepaid lease payments by the following means:-

	Unaudited 30 June 2021 (RM'000)	Current Period Ended Audited 30 June 2020 (RM'000)
Purchase of :		
Property, plant and equipment	19,578	22,796
Financed by:		
Cash payments and other payables	10,406	11,479
Hire-purchase	9,172	11,317
	<u>19,578</u>	<u>22,796</u>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.



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PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134")

1. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed consolidated interim financial statements also complies with International Accounting Standard 34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB). The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its audited consolidated financial statements for the financial year ended 30 June 2020.

Adoption of New and Revised Malaysian Financial Reporting Standards ("MFRSs")

In the current financial period, the Group have applied the following Amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for accounting periods that begin on or after 1 July 2020 as follows:

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

The adoption of these Standards, Amendments to MFRSs and IC Interpretation did not have any material impact on the financial statements of the Group in the period of initial application

Standards and Amendments in Issue but Not Yet Effective

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

MFRS 17	Insurance Contracts ²
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 3	Reference to the Conceptual Framework ¹



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Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ²
Amendments to MFRS 108	Definition of Accounting Estimates ²
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use ¹
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to MFRSs	Annual Improvements to MFRSs 2018 – 2020 ¹

¹ Effective for annual periods beginning on or after 1 January 2022.

² Effective for annual periods beginning on or after 1 January 2023.

³ Effective for annual periods beginning on or after a date to be determined

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

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's business operations cover primarily the express delivery and logistics services. The revenue of the Group will normally be affected by the numerous public and festive holidays, if any, during the quarter and financial period under review.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the current quarter and period ended 30 June 2021 under review.

5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect on the current quarter and period ended 30 June 2021 under review.

6. DEBTS AND EQUITY SECURITIES

There were no issuances or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current quarter and period ended 30 June 2021 under review, except for the following:-

Repurchased 39,901,300 of its issued ordinary shares by the company from the open market at prices ranging from RM0.320 to RM0.410 per share. The total consideration paid for the repurchases was RM14,886,667 and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia. The details of shares repurchased were as follows:-



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	Number of shares	Total consideration RM	Purchase price per share		
			Highest RM	Lowest RM	Average RM
August 2020	2,000,000	741,873	0.375	0.365	0.371
September 2020	410,000	135,689	0.335	0.320	0.331
October 2020	985,100	338,034	0.350	0.335	0.343
December 2020	3,324,900	1,334,639	0.410	0.390	0.401
January 2021	2,398,300	922,298	0.400	0.365	0.385
March 2021	14,793,800	5,407,498	0.375	0.360	0.366
April 2021	7,751,900	2,936,295	0.380	0.365	0.379
May 2021	4,458,100	1,673,914	0.390	0.355	0.375
June 2021	3,779,200	1,396,627	0.370	0.345	0.370
	39,901,300	14,886,867	0.410	0.320	0.373

7. DIVIDEND PAID

The following dividends were paid during the current and previous financial year:-

	Year Ended 30 June	
	2021	2020
First and final dividend for the financial year	30 June 2020	30 June 2019
Approved and declared on	3 December 2020	5 December 2019
Date paid	22 February 2021	21 February 2020
Number of ordinary shares on which dividends were paid	5,628,096,235	5,641,388,335
Amount per share (Single-tier)	0.20 sen	0.25 sen
Net dividend paid in cash (RM'000)	<u>11,256</u>	<u>14,103</u>

The proposed final single tier dividend of 0.20 sen per share amounting to approximately RM11.3 million in respect of the current financial year ended 30 June 2020, was approved by the shareholders at the Seventeenth Annual General Meeting (AGM) of the company held on 3 December 2020 and was paid on 22 February 2021.

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8. NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Profit for the period is arrived at after (charging)/crediting:

	Current Quarter Three Months Ended 30 June		Current Period To-Date Ended 30 June	
	2021 (RM'000)	2020 (RM'000)	2021 (RM'000)	2020 (RM'000)
Interest income	1,380	1,305	5,543	7,507
Dividend income	451	602	2,065	1,675
Other income	780	650	2,741	742
Interest expense	(1,016)	(1,867)	(4,516)	(6,062)
Depreciation and amortization	(11,497)	(11,495)	(44,966)	(40,742)
Reversal of impairment loss/(impairment loss) on trade receivables	(449)	(1,288)	256	(1,356)
Bad debts written off	-	(324)	-	(324)
Realised foreign exchange gain or loss	(11)	(193)	(11)	(87)
Provision for retirement benefits	-	(326)	-	31
Provision for and write off of inventories	N/A	N/A	N/A	N/A
Property, plant and equipment written off	N/A	(345)	N/A	(345)
Impairment of property, plant and equipment	N/A	N/A	N/A	N/A
Exceptional items	N/A	N/A	N/A	N/A

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9. OPERATING SEGMENTS

The Group has three (3) reportable business segments and operates predominantly in Malaysia, Singapore and Vietnam as described below, 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 is an analysis of the Group's revenue and results by the reportable business segments for the period ended 30 June 2021.

Operating Segments

	Segment Revenue Period Ended 30 June		Segment Profit / (Loss) Period Ended 30 June	
	2021 (RM'000)	2020 (RM'000)	2021 (RM'000)	2020 (RM'000)
Express delivery	393,817	338,334	33,729	26,994
Logistics	36,471	25,141	5,623	1,766
Property investment	219	535	(3,156)	(3,187)
Total	<u>430,507</u>	<u>364,010</u>	<u>36,196</u>	<u>25,573</u>
Finance costs			(4,516)	(6,062)
Reversal of impairment loss/(impairment loss) on trade receivables			256	(1,356)
Share of profit of associated company			4,342	5,585
Profit before tax			<u>36,278</u>	<u>23,740</u>

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

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The following is an analysis of the carrying amount of segment assets and liabilities by the business segments in which the assets and liabilities are located:

	Carrying Amount of Segment Assets And Liabilities As At 30 June	
	2021 (RM'000)	2020 (RM'000)
Segment Assets		
Express delivery	549,346	548,920
Logistics	34,426	35,719
Property investment	47,749	49,671
	631,521	634,310
Unallocated corporate assets		
- Tax recoverable	13,457	21,746
	644,978	656,056
Segment Liabilities		
Express delivery	116,494	127,605
Logistics	23,268	24,349
Property investment	732	785
	140,494	152,739
Unallocated liabilities		
- Tax liabilities	837	263
- Deferred tax liabilities	7,599	6,627
	148,930	159,629
	2021 (RM'000)	2020 (RM'000)
Other Segment Information		
Additions to Non-current assets		
- Express delivery	18,067	21,039
- Logistics	621	830
- Property investment	90	927
Depreciation and amortisation		
- Express delivery	22,966	20,623
- Logistics	1,112	1,154
- Property investment	1,580	1,279

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated directly to reportable segments.



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The following is an analysis of the group's revenue and carrying amount of segment non-current assets by the Geographical market.

Geographical Segments

	Revenue by Geographical Market For the Period Ended 30 June		Carrying Amount of Segment Non-Current Assets As At 30 June	
	2021 (RM'000)	2020 (RM'000)	2021 (RM'000)	2020 (RM'000)
Malaysia	367,033	334,563	244,804	259,968
Singapore	2,340	1,891	233	425
Vietnam	61,134	27,556	8,929	9,198
Total	<u>430,507</u>	<u>364,010</u>	<u>253,966</u>	<u>269,591</u>

10. MATERIAL EVENTS SUBSEQUENT TO END OF THE PERIOD

Between the end of the financial period and the date of this announcement, the Company has activated its Data Recovery and Security Mitigation Plan following a cyber-security breach to its financial server. There is no financial implication reported and the incident has not resulted in operational impact to the Group's current business operations. There has been no indication of leakage of confidential information and customers' data.

In view of the above and also to align with the financial year end of overseas investee companies, the Board of Directors had approved the change of the Company's financial year end from 30 June 2021 to 31 December 2021. The next audited financial statements of the Group and the Company shall be for a period of 18 months from 1 July 2020 to 31 December 2021.

Similar announcements have been made to Bursa Malaysia Securities Berha on 14 and 15 July 2021.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter and financial period ended 30 June 2021 under review which including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets as at the date of this report.



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13. CAPITAL COMMITMENTS

All capital commitments undertaken have been included in the financial statements for the current quarter and period ended 30 June 2021 under review.

14. RELATED PARTY TRANSACTIONS

The related party transactions between the GDEX Group and the interested related parties were as follows:

	Transaction Value		Balance Outstanding	
	Three Months Ended		As At 30 June	
	2021	2020	2021	2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<u>Revenue</u>				
Provision of express delivery services				
- Singapore Post Limited	25	14	106	5
- Quantum Solutions International(Malaysia) Sdn Bhd	1,006	1,270	899	1,165
- Yamato Transport (M) Sdn Bhd.	6	4	3	10
- Yamato Transport (S) Pte. Ltd.	3	-	2	-
<u>Interest income</u>				
- Web Bytes Sdn Bhd	50	50	-	50
<u>Expenses</u>				
Provision for advisory services				
- Yamato Asia Pte Ltd	-	(5)	-	(1)
- Yamato Holdings Co., Ltd	-	(25)	-	(25)
- Yamato Transport Co., Ltd	(30)	-	(12)	-
Provision and development of software solution				
-Web Bytes Sdn Bhd	(61)	-	-	(17)

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. REVIEW OF PERFORMANCE

Performance for the Current Quarter Ended 30 June 2021 versus the same quarter in Financial Year Ended 30 June 2020

Group Performance

	Current Quarter Three Months Ended 30 June		Current Period Ended 30 June	
	2021	2020	2021	2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	106,668	105,334	430,507	364,010
Profit Before Taxation	9,909	9,312	36,278	23,740

Group revenue for the current quarter and period ended 30 June 2021 grew 1.3% and 18.3% respectively, while the group's profit before tax decreased 6.4% and 52.8% as compared to the preceding year's corresponding quarter and period ended 30 June 2020.

The overall better financial performance reported in the current quarter and period ended 30 June 2021, as compared to the preceding corresponding quarter and period ended 30 June 2020 was mainly due to the increase in demand for delivery services from business activities that migrated from offline to online, as well as growing demand for logistics and warehousing services especially during the current Covid-19 pandemic. The Group also experienced improvements in operational cost efficiencies as a result of digitalisation works of internal systems and processes. Besides that, the better performance for the current quarter under review was also contributed by the improved financial performance in the Group's subsidiary company in Vietnam and associate company in Indonesia.

Segmental Performance

	Courier Services Current Quarter Ended 30 June		Logistics Services Current Quarter Ended 30 June		Property Investment Current Quarter Ended 30 June	
	2021	2020	2021	2020	2021	2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	96,654	96,648	9,960	8,571	54	115
Profit/(loss) Before Taxation	8,661	9,077	2,178	1,517	(930)	(1,282)

Courier Services

The revenue and profit before taxation reported in the courier services segment for the current quarter ended 30 June 2021 increased 0.006% and declined 4.6% respectively as compared to the corresponding quarter ended 30 June 2020.



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The decline in financial performance for the current quarter under review was due to additional allowances made for impairment loss on trade receivables after the debt assessment as a result of slow trade receivables collection during the current Covid-19 pandemic.

Logistics Services

The revenue and profit before taxation reported in the logistics services segment increased 16.2% and 43.6% respectively as compared to the corresponding quarter ended 30 June 2020.

The improved performance of the logistics services segment was due to an increase in demand for the logistics and warehousing services during the quarter under review, which contributed to better profit margins.

Property Investment

The revenue of the property investment segment was derived from external rental income. Loss before tax reported in the property investment segment was due to a decline in rental income as a result of cessation of tenancy agreement by the tenant, as well as property maintenance expenses incurred during the current quarter ended 30 June 2021.

2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

Group Performance

	30.06.2021 (RM'000)	3 Months Ended 31.03.2021 (RM'000)
Revenue	106,668	105,809
Profit Before Taxation	9,909	7,051

There was a slight increase of 0.81% in the Group's revenue for the current quarter under review as compared to the preceding quarter ended 31 March 2021, which was mainly contributed by the increase in demand for Logistics services and revenue growth in the Vietnam subsidiary company. Profit before taxation for the Group increased 40.5% as compared to the immediate preceding quarter ended 31 March 2021 due to improvements in operational cost efficiencies and better performance in the Logistics segment during the quarter under review. Besides that, an improved profit before taxation achieved in the current quarter was also contributed by the better financial performance in both the Vietnam subsidiary company and Indonesia associate company.

Segmental Performance

	Courier Services		Logistics Services		Property Investment	
	Current Quarter Ended 30.06.2021 (RM'000)	31.03.2021 (RM'000)	Current Quarter Ended 30.06.2021 (RM'000)	31.03.2021 (RM'000)	Current Quarter Ended 30.06.2021 (RM'000)	31.03.2021 (RM'000)
Revenue	96,654	96,475	9,960	9,301	54	33
Profit/(Loss) Before Taxation	8,661	6,866	2,178	920	(930)	(735)



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Courier Services

The total revenue generated from the courier services segment for the quarter under review increased 0.19% as compared to the immediate preceding quarter ended 31 March 2021.

The profit before taxation increased 26.1% as compared to the immediate preceding quarter, mainly due to improvements in operational cost efficiencies as well as contribution from the improved financial performance of the Vietnam subsidiary company.

Logistics Services

The revenue and profit before taxation from Logistics services segment for the current quarter increased 7.1% and 136.7% respectively as compared to the immediate preceding quarter ended 31 March 2021. The improved performance of Logistics services segment as compared to the immediate preceding quarter ended 31 March 2021 was due to better profit margins achieved for the warehousing and logistics services as well as improvement in operational costs efficiencies during the quarter under review.

Property Investment

The revenue of the property investment segment was derived from external rental income. The revenue for the current quarter ended 30 June 2021 increased 63.6% mainly due to a special discount given to the tenant during the Covid-19 pandemic in the immediate preceding quarter ended 31 March 2021.

3. COMMENTARY ON PROSPECTS

The domestic economy has shown signs of recovery. However some uncertainties remain amid challenges from competitive pricing in the courier services and logistics industry. Nevertheless, the Group remains positive to sustain its business performance in the second half of this calendar year.

The Group will continue to invest in human capital and expand its product offerings via digital platforms, as well as strengthen its intra-ASEAN delivery network. The Group will also invest in the enhancement of IT infrastructure to expedite the digitalisation of operational processes and strengthening of cybersecurity capabilities. As for business expansion plans, the Group will continue to explore business opportunities domestically and regionally.

4. VARIANCE FROM PROFIT FORECAST

No profit forecast was issued during the financial quarter and period ended 30 June 2021 under review.



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5. INCOME TAX EXPENSE

Taxation in respect of the current financial quarter and financial period ended 31 March 2021 comprises the following:

	Current Quarter Three Months Ended 30 June		Period Ended 30 June	
	2021 (RM'000)	2020 (RM'000)	2021 (RM'000)	2020 (RM'000)
Income Tax:-				
Current quarter/period	3,518	1,855	9,296	4,884
Deferred Tax:-	(643)		954	
Current quarter/period		(386)		365
	<u>2,875</u>	<u>1,469</u>	<u>10,250</u>	<u>5,249</u>

6. UTILISATION OF PROCEEDS

The Group has not raised any proceeds from any of its corporate exercise during the current quarter and period ended 30 June 2021 under review.

7. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced during the current quarter and period ended 30 June 2021 but not completed as at the reporting date except for the events as announced on 8 January 2021 and 11 January 2021, the issuance of 703,935,325 free warrants in GDEX Berhad ("GDEX") ("Warrants C") on the basis of one (1) Warrant C for every eight (8) existing ordinary shares in GDEX held on 30 December 2020 pursuant to the Free Warrants Issue was admitted to the Official List of Bursa Securities and the listing and quotation of these Warrants on the Main Market on 12 January 2021.

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8. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the following:

	2021 (RM'000)	As at 30 June 2020 (RM'000)
Short term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	13,202	18,812
Borrowings	-	888
Long term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	5,443	10,722
Borrowings	1,976	54
Total borrowings	20,621	30,476

There was no unsecured debt during the current quarter and period ended 30 June 2021.

9. MATERIAL LITIGATION

The Directors of GDEX confirm that the Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and the Directors of GDEX do not have any knowledge of proceedings pending or threatened against GDEX and/or its subsidiaries, or of any fact likely to give rise to any proceeding, which might materially and adversely affect the financial position or business of the Group as at the date of this report.

10. DIVIDEND

The proposed final single tier dividend of 0.20 sen per share amounting to approximately RM11.3 million in respect of the current financial year ended 30 June 2020, was approved by the shareholders at the Seventeenth Annual General Meeting (AGM) of the company held on 3 December 2020. The dividend was paid on 22 February 2021 as stated in PART A, Note 7.

Save as disclosed above, there were no other dividends declared during the current quarter and period ended 31 March 2021 under review.



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11. EARNINGS PER SHARE

i. Basic Earnings Per Share

The basic earnings per ordinary shares of the Group has been calculated by dividing profit attributable to owners of the Company by the number of ordinary shares in issue during the current quarter and financial period.

	Current Quarter Three Months Ended 30 June		Period Ended 30 June	
	2021 (RM'000)	2020 (RM'000)	2021 (RM'000)	2020 (RM'000)
Net profit attributable to ordinary shareholders	6,396	7,695	26,086	18,534
Weighted average number of ordinary shares in issue (units)	5,641,410,835	5,639,935,457	5,641,410,835	5,639,935,457
Basic Earnings per share (sen)	0.11	0.14	0.46	0.33

ii. Diluted Earnings Per Share

The dilutive earnings per share of the Group has been calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares that would have been issued upon full exercise of the remaining warrants, adjusted by the number of such shares that would have been issued at fair value as follows:-

	Current Quarter Three Months Ended 30 June		Period Ended 30 June	
	2021 (RM'000)	2020 (RM'000)	2021 (RM'000)	2020 (RM'000)
Net profit attributable to ordinary shareholders	6,396	7,695	26,086	18,534
Weighted average number of ordinary shares in issue (units)	5,641,410,835	5,639,935,457	5,641,410,835	5,639,935,457
Adjustment for share warrants	(140,345,611)	-	(143,690,247)	-
Weighted average number of ordinary share in issue (units)	5,501,065,224	5,639,935,457	5,497,720,588	5,639,935,457
Basic Earnings per share (sen)	0.12	0.14	0.47	0.33



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12. AUDIT REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the year ended 30 June 2020 was not subject to any audit qualification.

13. AUTHORISATION FOR ISSUE

The Unaudited Condensed Interim Financial Statements were authorized for issue by the Board in accordance with a resolution of the Directors on 29 September 2021.

By Order of the Board

Tan Ai Ning (MAICSA 7015852)
Tan Seiw Ling (MAICSA 7002302)
Company Secretaries

Selangor Darul Ehsan
Date: 29 September 2021