



GDEX BERHAD (Registration No. 200301028159 (630579-A))
(Incorporated in Malaysia under the Companies Act, 1965)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

	Three Months Ended (Unaudited)		Current Period To-Date (Unaudited)	
	31.03.2023 (RM'000)	31.03.2022 (RM'000)	31.03.2023 (RM'000)	31.03.2022 (RM'000)
Revenue	98,484	91,887	98,484	91,887
Operating expenses	(106,503)	(95,718)	(106,503)	(95,718)
Other operating income	2,443	1,394	2,443	1,394
Operating Loss	(5,576)	(2,437)	(5,576)	(2,437)
Finance costs	(1,275)	(1,032)	(1,275)	(1,032)
Share of post-tax profit of associated companies	51	989	51	989
Loss before tax	(6,800)	(2,480)	(6,800)	2,480
Income tax expense	(203)	958	(203)	958
Net loss for the period	(7,003)	(1,522)	(7,003)	(1,522)
Other comprehensive (loss)/income:				
Foreign currency translation differences for foreign operations	606	284	606	284
	606	284	606	284
Total comprehensive loss for the period	(6,397)	(1,238)	(6,397)	(1,238)
Loss attributable to: -				
Owners of the company	(7,210)	(1,899)	(7,210)	(1,899)
Non-controlling interest	207	377	207	377
	(7,003)	(1,522)	(7,003)	(1,522)
Comprehensive loss attributable to: -				
Owners of the company	(6,604)	(1,615)	(6,604)	(1,615)
Non-controlling interest	207	377	207	377
	(6,397)	(1,238)	(6,397)	(1,238)
Earnings per share: -				
Basic EPS (sen)	(0.13)	(0.03)	(0.13)	(0.03)
Diluted EPS (sen)	(0.16)	(0.04)	(0.16)	(0.04)

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 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Unaudited 31.03.2023 (RM'000)	Audited 31.12.2022 (RM'000)
ASSETS		
Non-current Assets		
Property, plant and equipment	117,774	121,502
Intangible assets	2,009	2,339
Right-of-use assets	123,442	124,820
Investment in associates	33,635	33,585
Investment in redeemable convertible preference shares	2,160	-
Goodwill arising from consolidation	29,173	29,173
Other investments	83	83
	<u>308,276</u>	<u>311,502</u>
Current Assets		
Inventories	3,333	2,833
Trade receivables	55,370	60,170
Other receivables and prepaid expenses	41,007	37,405
Loan to an associate	4,425	4,230
Tax recoverable	23,949	23,425
Short-term funds	11,414	19,404
Deposits with licensed banks	158,316	164,771
Cash and bank balances	40,797	42,514
	<u>338,611</u>	<u>354,752</u>
Total Assets	<u>646,887</u>	<u>666,254</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	337,896	337,896
Treasury shares	(26,963)	(22,928)
Reserves	141,443	148,047
Non-controlling interests	27,401	27,194
Total Equity	<u>479,777</u>	<u>490,209</u>
Non-Current Liabilities		
Hire-purchase payables	2,409	4,020
Bank borrowings	3,775	2,512
Lease liabilities	96,437	92,309
Provision for restoration costs	636	636
Provision for retirement benefits	933	932
Deferred tax liabilities	2,566	3,147
Total Non-current Liabilities	<u>106,756</u>	<u>103,556</u>



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023
(cont'd)

	Unaudited 31.03.2023 (RM'000)	Audited 31.12.2022 (RM'000)
Current liabilities		
Trade payables	13,236	12,712
Other payables and accrued expenses	31,346	36,638
Provision for restoration costs	-	147
Hire-purchase payables	6,398	6,467
Bank borrowings	-	1,526
Lease liabilities	8,292	13,435
Provision for taxation	1,082	1,564
Total Current Liabilities	<u>60,354</u>	<u>72,489</u>
Total Liabilities	<u>167,110</u>	<u>176,045</u>
Total Equity and Liabilities	<u>646,887</u>	<u>666,254</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 31 December 2022 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 FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

	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 01.01.2022	337,896	(20,949)	931	164,028	481,906	14,418	496,324
(Loss)/profit for the period	-	-	-	(1,899)	(1,899)	377	(1,522)
Other comprehensive (loss)/income	-	-	284	-	284	-	284
Total comprehensive (loss)/income for the period	-	-	284	(1,899)	(1,615)	377	(1,238)
Shares repurchased	-	(250)	-	-	(250)	-	(250)
Dividends	-	-	-	-	-	-	-
	-	(250)	284	(1,899)	(1,865)	377	(1,488)
As of 31.03.2022 (Unaudited)	337,896	(21,199)	1,215	162,129	480,041	14,795	494,836



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023
(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 01.01.2023	337,896	(22,928)	1,287	146,760	463,015	27,194	490,209
(Loss)/profit for the period	-	-	-	(7,210)	(7,210)	207	(7,003)
Other comprehensive (loss)/income	-	-	606	-	606	-	606
Total comprehensive (loss)/income for the period	-	-	606	(7,210)	(6,604)	207	(6,397)
Shares repurchased	-	(4,035)	-	-	(4,035)	-	(4,035)
Dividends	-	-	-	-	-	-	-
	-	(4,035)	606	(7,210)	(10,639)	207	(10,432)
As of 31.03.2023 (Unaudited)	337,896	(26,963)	1,893	139,550	452,376	27,401	479,777

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements



GDEX BERHAD (Registration No. 200301028159 (630579-A))
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

	31.03.2023	Current Quarter Ended 31.03.2022
	(RM'000)	(RM'000)
Cash flows from operating activities		
Loss for the period	(7,003)	(1,522)
Adjustments for non-cash items	14,039	10,398
Operating profit before changes in working capital	7,036	8,876
(Increase)/Decrease in working capital		
Inventories	(500)	(594)
Receivables, deposits and prepayment	777	6,509
Payables and accruals	(4,954)	(9,142)
Cash generated from operations	2,359	5,649
Income tax refund		6
Income tax paid	(1,791)	(4,183)
Retirement benefit paid	-	(7)
Net cash from operating activities	568	1,465
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,981)	(3,187)
Investment in a Redeemable Convertible Preference Shares	(2,160)	-
Proceeds from disposal of property, plant and equipment	2	171
Repayment/(Addition) of loan from related party	(195)	250
Interest received	1,654	747
Decreased in short term funds	8,100	-
(Increased) / Decreased in fixed deposit pledged with licensed bank	(46,782)	7,040
Net cash (used in)/generating from investing activities	(42,362)	5,021
Cash flows from financing activities		
Consideration paid for share repurchased	(4,035)	(250)
Net repayment of bank borrowings	(263)	(159)
Net payment of hire purchase payables	(1,680)	(2,992)
Payment of lease liabilities	(7,417)	(6,139)
Finance costs paid	(282)	(234)
Dividends paid	-	-
Net cash used in financing activities	(13,677)	(9,774)
Net change in cash and cash equivalents	(55,471)	(3,288)
Effect of exchange difference	517	170
Cash and cash equivalents at beginning of period	105,781	52,041
Cash and cash equivalents at end of period	50,827	48,923



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023 (Cont'd)

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

	31.03.2023 (RM'000)	Current Quarter Ended 31.03.2022 (RM'000)
Purchase of:		
Property, plant and equipment	2,981	8,426
Financed by:		
Cash payments and other payables	2,981	3,187
Hire-purchase	-	5,239
	<u>2,981</u>	<u>8,426</u>

The Group 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.

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 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 statement has 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 statement 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 31 December 2022.

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 31 December 2022.

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 January 2023 as follows:

MFRS 17	Insurance Contract
Amendments to MFRS 17	Insurance Contract
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 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of these Standards, Amendments to MFRSs and IC Interpretation did not result in significant changes in the accounting policies of the Group and have no significant effect 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 to MFRSs which were in issue but not yet effective and not early adopted by the Group 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 ²
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ¹



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- ¹ Effective immediately for annual periods beginning before 1 January 2024
- ² Effective date deferred to a date to be determined and announced by MASB

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 MFRSs and Amendments to MFRSs may have an impact on the financial statements of the Group in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect of the said Standards until the Group undertake a detailed review.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's main business operations cover primarily the express delivery and logistics services. The said revenue of the Group will normally be affected by the numerous public and festive holidays, if any, during the current quarter and financial period ended 31 March 2023 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 31 March 2023 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 31 March 2023 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 financial period ended 31 March 2023 under review, except for the following: -

Repurchased 21.910 million of its issued ordinary shares by the company from the open market at prices ranging from RM0.160 to RM0.205 per share. The total consideration paid for the repurchases was RM4.04 million 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: -

	Number of Shares	Total Consideration RM	Purchase price per share		
			Highest RM	Lowest RM	Average RM
January 2023	8,416,700	1,391,676	0.170	0.160	0.165
February 2023	7,533,200	1,505,683	0.205	0.185	0.200
March 2023	5,960,100	1,137,706	0.195	0.185	0.191
	<u>21,910,000</u>	<u>4,035,065</u>	<u>0.205</u>	<u>0.160</u>	<u>0.184</u>



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7. DIVIDEND PAID

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

	Financial Year Ended 31.12.2023	Financial Year Ended 31.12.2022
First and final dividend for the financial year/period	31.12.2022	31.12.2021
Approved and declared on	N/A	N/A
Date paid	N/A	N/A
Number of ordinary shares on which dividends were paid	N/A	N/A
Amount per share (Single-tier)	N/A	N/A
Net dividend paid in cash (RM'000)	<u>N/A</u>	<u>N/A</u>

The Directors proposed a final single tier dividend of 0.15 sen per share amounting to approximately RM8.462 million in respect of the financial year ended 31 December 2022. 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 for the financial year ended 31 December 2022.

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

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

	Current Quarter Three Months Ended		Current Period Ended	
	31.03.2023 (RM'000)	31.03.2022 (RM'000)	31.03.2023 (RM'000)	31.03.2022 (RM'000)
Interest income	1,654	747	1,654	747
Dividend income	109	343	109	343
Other income	680	304	680	304
Interest expense	(1,275)	(1,032)	(1,275)	(1,032)
Depreciation and amortization	(13,956)	(12,738)	(13,956)	(12,738)
Impairment loss on trade receivables	405	168	405	168
Realised/Unrealised foreign exchange gain or loss	36	2	36	2
Provision for retirement benefits	N/A	N/A	N/A	N/A
Provision for and write off of inventories	N/A	N/A	N/A	N/A
Property, plant and equipment written off	N/A	N/A	N/A	N/A
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. (*) Other segments included insurance agent services, property management and dormant companies where its result is not significant to the Group

The following is an analysis of the Group's revenue and results by the reportable business segments for the current period ended 31 March 2023.

Operating Segments

	Segment Revenue Period Ended		Segment Profit / (Loss) Period Ended	
	31.03.2023 (RM'000)	31.03.2022 (RM'000)	31.03.2023 (RM'000)	31.03.2022 (RM'000)
Express delivery	83,811	82,396	(3,387)	(3,328)
Logistics	7,637	9,491	(915)	1,497
Information technology	6,876	-	(293)	(774)
Others*	160	-	(576)	-
Total	98,484	91,887	(5,171)	(2,605)
Finance costs			(1,275)	(1,032)
Reversal of impairment loss / (impairment loss) on trade receivables			(405)	168
Share of profit of associated company			51	989
Loss before tax			(6,800)	(2,480)

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	
	31.03.2023 (RM'000)	31.03.2022 (RM'000)
Segment Assets		
Express delivery	511,494	524,493
Logistics	38,194	34,439
Information technology	28,677	-
Others	44,573	46,096
	<u>622,938</u>	<u>605,028</u>
Unallocated corporate assets		
- Tax recoverable	23,949	19,124
	<u>646,887</u>	<u>624,152</u>
Segment Liabilities		
Express delivery	133,787	100,789
Logistics	21,070	20,593
Information technology	7,943	-
Others	662	611
	<u>163,462</u>	<u>121,993</u>
Unallocated liabilities		
- Tax liabilities	1,082	271
- Deferred tax liabilities	2,566	7,052
	<u>167,110</u>	<u>129,316</u>
	31.03.2023 (RM'000)	31.03.2022 (RM'000)
Other Segment Information		
Additions to Non-current assets		
- Express delivery	1,798	7,726
- Logistics	1,130	700
- Information technology	53	-
- Others	-	-
Depreciation and amortisation		
- Express delivery	9,747	9,682
- Logistics	3,457	2,496
- Information technology	270	-
- Others	482	560

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		Carrying Amount of Segment Non-Current Assets As At	
	31.03.2023 (RM'000)	31.03.2022 (RM'000)	31.03.2023 (RM'000)	31.03.2022 (RM'000)
Malaysia	82,016	76,434	294,437	246,453
Singapore	1,288	362	906	182
Vietnam	15,180	15,091	12,933	8,379
Total	98,484	91,887	308,276	255,014

10. MATERIAL EVENTS SUBSEQUENT TO END OF THE PERIOD

Between the end of the financial period and the date of this announcement, there has not been any item, transaction or event of a material and unusual nature which, in the opinion of the Directors is likely to affect substantially the results of the operations of the Group for the current quarter and financial period ended 31 March 2023.

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 31 March 2023 under review which including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations except for the following: -

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 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 had achieved RM4,000,000 revenue at any point of time. If Servedeck is unable to achieve RM4,000,000 revenue by 31 December 2023, Servedeck will 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.

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 31 March 2023 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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<u>Revenue</u>				
Provision of express delivery services				
- Singapore Post Limited	2	15	2	15
- Quantum Solutions International (Malaysia) Sdn Bhd	356	484	322	422
- Yamato Transport (M) Sdn Bhd.	56	10	33	7
- Yamato Transport (S) Pte. Ltd.	4,840	-	2,365	6
<u>Interest income</u>				
- Web Bytes Sdn Bhd	-	23	-	7
<u>Expenses</u>				
Provision for advisory services				
- Yamato Transport Co., Ltd	(30)	(30)	(11)	(10)

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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 31 March 2023 versus the Corresponding Quarter Ended 31 March 2022

Group Performance

	Current Quarter Three Months Ended		Current Period Ended	
	31.03.2023 (RM'000)	31.03.2022 (RM'000)	31.03.2023 (RM'000)	31.03.2022 (RM'000)
Revenue	98,484	91,887	98,484	91,887
Profit Before Taxation	(6,800)	(2,480)	(6,800)	(2,480)

Group revenue for the current quarter and period ended 31 March 2023 reported at RM98.4 million, increased 7.2% mainly contributed by the Information Technology Segment, the new Segment of the Group, and reported a loss before tax of RM6.8 million, an increased in loss of 174.1%, as compared to corresponding quarter ended 31 March 2022.

Segmental Performance

	Courier Services Quarter Ended		Logistics Services Quarter Ended		Information Technology Quarter Ended		Others Quarter Ended	
	31.03.2023 (RM'000)	31.03.2022 (RM'000)	31.03.2023 (RM'000)	31.03.2022 (RM'000)	31.03.2023 (RM'000)	31.03.2022 (RM'000)	31.03.2023 (RM'000)	31.03.2022 (RM'000)
Revenue	83,811	82,396	7,637	9,491	6,876	-	160	-
Profit/(Loss) Before Taxation	(5,016)	(3,203)	(915)	1,497	(293)	-	(576)	(774)

Courier Services

The revenue reported in the courier services segment for the current quarter ended 31 March 2023 increased 1.7% mainly contributed by the B2B and C2C business activities, and the loss before tax increased 56.6% mainly due to higher operating costs as a result of the implementation of minimum wages in last financial year and increased in the IT maintenance costs, compared to corresponding quarter ended 31 March 2022.

Logistics Services

Declined in the revenue of logistics segment of 19.5% for the current quarter ended 31 March 2023 mainly due to low demand in on-line business activities after the business operations of various retail business resumed.

The Logistics Segment reported a loss of RM0.9 million, declined 161.1% for the current quarter ended 31 March 2023 as compared to profit before tax reported in the corresponding quarter ended 31 March 2022, mainly due



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to low logistics and warehousing activities as a result of low demand in on-line business activities after the business operations of various retail business resumed, and also due to slow pace of business activities of the warehousing customers as well as increase in warehouse maintenance and operating cost, especially the amortization of ROU as a result of leased of additional warehouse space to cater for business expansion.

Information Technology

No comparison of the revenue and loss before tax of the information technology segment is available in the corresponding quarter ended 31 March 2022 as this is the new business operating segment of the Group. The revenue of the segment mainly contributed by systems & websites development and software distribution. Loss mainly due to the IT operating costs.

Others

Others include the dormant companies, property management and insurance agent business activities. Loss before tax mainly due to the property maintenance cost incurred and discontinued in rental activities.

2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

Group Performance

	31.03.2023	3 Months Ended
	(RM'000)	31.12.2022
		(RM'000)
Revenue	98,484	102,777
Loss Before Taxation	(6,800)	(5,152)

The Group revenue declined 4.2% and loss before taxation increased 32.0%% for the current quarter under review as compared to the immediate preceding quarter ended 31 December 2022, which was mainly contributed by the decline in demand of courier services and logistics business activities as a result of the low demand in on-line business activities after the business operations of various retail business resumed, and also due to slow pace of business activities of the warehousing customers as well as increase in warehouse and IT maintenance and operating costs. Besides, the declined in current quarter performance as compared to immediate preceding quarter ended 31 December 2022 also due to the decline in the revenue of Information Technology Segment.



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Segmental Performance

	Courier Services Quarter Ended		Logistics Services Quarter Ended		Information Technology Quarter Ended		Others Quarter Ended	
	31.03.2023 (RM'000)	31.12.2022 (RM'000)	31.03.2023 (RM'000)	31.12.2022 (RM'000)	31.03.2023 (RM'000)	31.12.2022 (RM'000)	31.03.2023 (RM'000)	31.12.2022 (RM'000)
Revenue	83,811	86,130	7,637	8,166	6,876	8,236	160	245
Profit/(Loss) Before taxation	(5,016)	(6,237)	(915)	(200)	(293)	1,133	(576)	152

Courier Services

The total revenue generated from the courier services segment for the current quarter under review declined 2.7% mainly due to the declined in the B2C business activities. Loss before taxation reduced 19.6% as compared to immediate preceding quarter ended 31 December 2022 mainly due to tighten control on operating cost and expenses.

Logistics Services

The revenue reported in Logistics services segment for the current quarter decreased 6.5% and loss before taxation increased 357.5% respectively as compared to immediate preceding quarter ended 31 December 2022 mainly due to decreased in the demand of logistics services and warehousing activities after resumed business operations of various retail business and also due to slow pace of business activities of the warehousing customers and warehousing maintenance and operating costs incurred.

Information Technology

The revenue from information technology services segment for the current quarter decreased 16.5% and profit before taxation decreased 125.9% respectively as compared to immediate preceding quarter ended 31 December 2022 was due to decrease in software customization and distribution, and also higher operating cost incurred.

Others

Others include the dormant companies, property management and insurance agent business activities. Loss before tax mainly due to the property maintenance cost incurred.

3. COMMENTARY ON PROSPECTS

The outlook of the courier services and logistics industry in 2023 is expected to be challenging due to overcrowding of foreign players, weak market sentiments, low demand conditions, and inflationary pressure including manpower cost.

The Group will continue to drive cost optimisation and operational efficiency, as well as increase the differentiation of its products and services to grow its business activities, through potential business opportunities in the last mile, logistics and warehouse fulfilment, as well as information technology.



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4. VARIANCE FROM PROFIT FORECAST

No profit forecast was issued during the financial quarter and period ended 31 March 2023 under review.

5. INCOME TAX EXPENSE

Taxation in respect of the current quarter and financial period ended 31 March 2023 comprises the following:

	Current Quarter Three Months Ended		Current Period Ended	
	31.03.2023 (RM'000)	31.03.2022 (RM'000)	31.03.2023 (RM'000)	31.03.2022 (RM'000)
Income Tax: -				
Current quarter/period	784	1,156	784	1,156
Under-provision in previous quarter/period	-	-	-	-
	784	1,156	784	1,156
Deferred Tax: -				
Current quarter/period	(581)	(2,114)	(581)	(2,114)
Under-provision in previous quarter/period	-	-	-	-
	203	(958)	(203)	(958)

6. UTILISATION OF PROCEEDS

The Group has not raised any proceeds from any of its corporate exercise during the current quarter and period ended 31 March 2023 under review.

7. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced during the current quarter and period ended 31 March 2023 but not completed as at the reporting date.

8. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the following:

	As at 31.03.2023 (RM'000)	As at 31.03.2022 (RM'000)
Short term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	6,398	10,117
Borrowings	-	-
Long term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	2,409	6,673
Borrowings	3,775	2,107
Total borrowings	12,582	18,897



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There was no unsecured debt during the current quarter and period ended 31 March 2023.

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

There were no dividends declared during the current quarter and financial period ended 31 March 2023 under review.

11. EARNINGS PER SHARE

i. Basic Earnings Per Share

The basic earnings per ordinary shares of the Group have 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		Current Period Ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net profit attributable to ordinary shareholders	(7,210)	(1,899)	(7,210)	(1,899)
Weighted average number of ordinary shares in issue (units)	5,548,174,185	5,641,410,835	5,548,174,185	5,641,410,835
Basic Earnings per share (sen)	(0.13)	(0.03)	(0.13)	(0.03)



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ii. Diluted Earnings Per Share

The dilutive earnings per share of the Group have 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		Current Period Ended	
	31.03.2023 (RM'000)	31.03.2022 (RM'000)	31.03.2023 (RM'000)	31.03.2022 (RM'000)
Net profit attributable to ordinary shareholders	(7,210)	(1,899)	(7,210)	(1,899)
Weighted average number of ordinary shares in issue (units)	5,548,174,185	5,641,410,835	5,548,174,185	5,641,410,835
Adjustment for share warrants	(1,012,141,466)	(529,580,454)	(1,012,141,466)	(529,580,454)
Weighted average number of ordinary shares in issue (units)	4,536,032,719	5,111,830,381	4,536,032,719	5,111,830,381
Basic Earnings per share (sen)	(0.16)	(0.04)	(0.16)	(0.04)

12. AUDIT REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the financial year ended 31 December 2022 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 May 2023.

By Order of the Board

Chin Wai Yi (MAICSA 7069783)
Chia Seiw Li (MAICSA 7075719)
Company Secretaries

Selangor Darul Ehsan
Date: 29 May 2023