



**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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	Three Months Ended (Unaudited)		Current Period To-Date (Unaudited)	
	30.09.2023 (RM'000)	30.09.2022 (RM'000)	30.09.2023 (RM'000)	30.09.2022 (RM'000)
Revenue	101,113	95,275	294,672	280,695
Operating expenses	(111,903)	(105,738)	(325,098)	(301,828)
Other operating income	1,727	3,556	6,273	7,818
Operating Loss	(9,063)	(6,907)	(24,153)	(13,315)
Finance costs	(1,241)	(1,046)	(3,834)	(2,758)
Share of post-tax profit of associated companies	174	605	327	1,848
Loss before tax	(10,130)	(7,348)	(27,660)	(14,225)
Income tax expense	(471)	1,011	(1,211)	3,244
Net loss for the period	(10,601)	(6,337)	(28,871)	(10,981)
Other comprehensive (loss)/income:				
Foreign currency translation differences for foreign operations	(1,088)	1,052	1,654	2,161
	(1,088)	1,052	1,654	2,161
Total comprehensive loss for the period	(11,689)	(5,285)	(27,217)	(8,820)
Loss attributable to: -				
Owners of the company	(8,157)	(6,568)	(26,712)	(12,015)
Non-controlling interest	(2,444)	231	(2,159)	1,034
	(10,601)	(6,337)	(28,871)	(10,981)
Comprehensive loss attributable to: -				
Owners of the company	(9,245)	(5,516)	(25,058)	(9,854)
Non-controlling interest	(2,444)	231	(2,159)	1,034
	(11,689)	(5,285)	(27,217)	(8,820)
Earnings per share: -				
Basic EPS (sen)	(0.14)	(0.12)	(0.47)	(0.21)
Diluted EPS (sen)	(0.18)	(0.13)	(0.59)	(0.25)

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



**GDEX BERHAD** (Registration No. 200301028159 (630579-A))  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023**

	<b>Unaudited 30.09.2023 (RM'000)</b>	<b>Audited 31.12.2022 (RM'000)</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	128,691	121,502
Intangible assets	1,847	2,339
Right-of-use assets	118,364	124,820
Investment in associates	33,912	33,585
Investment in redeemable convertible preference shares	2,160	-
Goodwill arising from consolidation	29,173	29,173
Other investments	113	83
	<u>314,260</u>	<u>311,502</u>
<b>Current Assets</b>		
Inventories	4,275	2,833
Trade receivables	57,521	60,170
Other receivables and prepaid expenses	33,283	37,405
Loan to an associate	3,344	4,230
Tax recoverable	13,804	23,425
Short-term funds	795	19,404
Deposits with licensed banks	150,939	164,771
Cash and bank balances	42,814	42,514
	<u>306,775</u>	<u>354,752</u>
<b>Total Assets</b>	<u>621,035</u>	<u>666,254</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	337,896	337,896
Treasury shares	(27,634)	(22,928)
Reserves	114,676	148,047
Non-controlling interests	25,035	27,194
<b>Total Equity</b>	<u>449,973</u>	<u>490,209</u>
<b>Non-Current Liabilities</b>		
Hire-purchase payables	1,142	4,020
Bank borrowings	2,982	2,512
Lease liabilities	87,725	92,309
Provision for restoration costs	875	636
Provision for retirement benefits	936	932
Deferred tax liabilities	2,090	3,147
<b>Total Non-current Liabilities</b>	<u>95,750</u>	<u>103,556</u>



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023**

(cont'd)

	<b>Unaudited 30.09.2023 (RM'000)</b>	<b>Audited 31.12.2022 (RM'000)</b>
<b>Current liabilities</b>		
Trade payables	13,830	12,712
Other payables and accrued expenses	44,002	36,638
Provision for restoration costs	-	147
Hire-purchase payables	4,614	6,467
Bank borrowings	-	1,526
Lease liabilities	12,369	13,435
Provision for taxation	497	1,564
<b>Total Current Liabilities</b>	<u>75,312</u>	<u>72,489</u>
<b>Total Liabilities</b>	<u>171,062</u>	<u>176,045</u>
<b>Total Equity and Liabilities</b>	<u>621,035</u>	<u>666,254</u>
Net Assets per share attributable to owners of the company (RM)	<u>0.08</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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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)
<b>As of 01.01.2022</b>	337,896	(20,949)	931	164,028	481,906	14,418	496,324
(Loss)/profit for the period	-	-	-	(12,015)	(12,015)	1,034	(10,981)
Other comprehensive (loss)/income	-	-	2,161	-	2,161	-	2,161
<b>Total comprehensive (loss)/income for the period</b>	-	-	2,161	(12,015)	(9,854)	1,034	(8,820)
Acquisition of a subsidiary	-	-	-	-	-	10,408	10,408
Shares repurchased	-	(308)	-	-	(308)	-	(308)
	-	(308)	2,161	(12,015)	(10,162)	11,442	1,280
<b>As of 30.09.2022 (Unaudited)</b>	337,896	(21,257)	3,092	152,013	471,744	25,860	497,604



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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)
<b>As of 01.01.2023</b>	337,896	(22,928)	1,287	146,760	463,015	27,194	490,209
(Loss)/profit for the period	-	-	-	(26,712)	(26,712)	(2,159)	(28,871)
Other comprehensive (loss)/income	-	-	1,654	-	1,654	-	1,654
<b>Total comprehensive (loss)/income for the period</b>	-	-	1,654	(26,712)	(25,058)	(2,159)	(27,217)
Shares repurchased	-	(4,706)	-	-	(4,706)	-	(4,706)
Dividends	-	-	-	(8,313)	(8,313)	-	(8,313)
	-	(4,706)	1,654	(35,025)	(38,077)	(2,159)	(40,236)
<b>As of 30.09.2023 (Unaudited)</b>	<b>337,896</b>	<b>(27,634)</b>	<b>2,941</b>	<b>111,735</b>	<b>424,938</b>	<b>25,035</b>	<b>449,973</b>

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



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	<b>30.09.2023</b>	<b>Current Quarter Ended 30.09.2022</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>Cash flows from operating activities</b>		
Loss for the period	(28,871)	(10,981)
Adjustments for non-cash items	41,807	32,993
<b>Operating profit before changes in working capital</b>	<u>12,936</u>	<u>22,012</u>
<b>(Increase)/Decrease in working capital</b>		
Inventories	(1,443)	(892)
Receivables, deposits and prepayment	6,601	4,934
Payables and accruals	8,238	(9,257)
<b>Cash generated from operations</b>	<u>26,332</u>	<u>16,797</u>
Income tax refund	10,812	-
Income tax paid	(4,467)	(7,715)
Retirement benefit paid	-	(4)
<b>Net cash from operating activities</b>	<u>32,677</u>	<u>9,078</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(27,791)	(8,722)
Investment in a Redeemable Convertible Preference Shares	(2,160)	-
Addition in other investment	(30)	-
Proceeds from disposal of property, plant and equipment	22	27
Repayment/(Addition) of loan from related party	886	-
Acquisition of a subsidiary, net of cash	-	(9,249)
Loan to an associate	-	(5,185)
Interest received	4,812	2,440
Decreased in short term funds	18,774	28,950
(Increased) / Decreased in fixed deposit pledged with licensed bank	(49,435)	11,838
<b>Net cash (used in)/generating from investing activities</b>	<u>(54,922)</u>	<u>20,099</u>
<b>Cash flows from financing activities</b>		
Consideration paid for share repurchased	(4,706)	(308)
Net repayment of bank borrowings	(1,057)	(407)
Net payment of hire purchase payables	(4,731)	(8,202)
Payment of lease liabilities	(22,580)	(21,703)
Finance costs paid	(602)	(585)
Dividends paid	(8,313)	-
<b>Net cash used in financing activities</b>	<u>(41,989)</u>	<u>(31,205)</u>
<b>Net change in cash and cash equivalents</b>	64,234	(2,028)
Effect of exchange difference	1,267	2,536
<b>Cash and cash equivalents at beginning of period</b>	<u>105,781</u>	<u>52,041</u>
<b>Cash and cash equivalents at end of period*</b>	<u>42,814</u>	<u>52,549</u>



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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: -

	<b>30.09.2023</b>	<b>Current Quarter</b>
	<b>(RM'000)</b>	<b>Ended</b>
		<b>30.09.2022</b>
		<b>(RM'000)</b>
<b>Purchase of:</b>		
Property, plant and equipment	27,791	14,741
<b>Financed by:</b>		
Cash payments and other payables	27,791	8,722
Hire-purchase	-	6,019
	<u>27,791</u>	<u>14,741</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 <sup>2</sup>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>



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- <sup>1</sup> Effective immediately for annual periods beginning before 1 January 2024
- <sup>2</sup> 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 30 September 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 30 September 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 30 September 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 30 September 2023, except for the repurchased of 25,226,400 of its issued ordinary shares by the Company from the open market at prices ranging from RM0.160 to RM0.210 per share for a total consideration of RM4.706 million during the current financial period ended 30 September 2023 under review. The shares repurchased was financed by internally generated funds and are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

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## 7. DIVIDEND PAID

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

	<b>Financial Year Ended 31.12.2023</b>	<b>Financial Year Ended 31.12.2022</b>
First and final dividend for the financial year/period	31.12.2022	31.12.2021
Approved and declared on	08.06.2023	N/A
Date paid	07.07.2023	N/A
Number of ordinary shares on which dividends were paid	5,541,410,835	N/A
Amount per share (Single-tier)	0.15 sen	N/A
Net dividend paid in cash (RM'000)	<u>8,313</u>	<u>N/A</u>

The proposed final single tier dividend of 0.15 sen per share amounting to RM8.313 million in respect of the financial year ended 31 December 2022, was approved by the shareholders at the Nineteenth Annual General Meeting ("19<sup>th</sup> AGM") of the Company held on 8 June 2023 and was paid on 7 July 2023 subsequently.

## 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:

	<b>Current Quarter Three Months Ended</b>		<b>Current Period Ended</b>	
	<b>30.09.2023 (RM'000)</b>	<b>30.09.2022 (RM'000)</b>	<b>30.09.2023 (RM'000)</b>	<b>30.09.2022 (RM'000)</b>
Interest income	1,536	852	4,812	2,440
Dividend income	-	419	164	1,107
Other income	190	2,284	1,297	4,271
Interest expense	(1,241)	(1,046)	(3,834)	(2,758)
Depreciation and amortization	(13,886)	(13,104)	(41,870)	(39,070)
Reversal of Impairment loss/(impairment loss) on trade receivables	768	(102)	(178)	(4)
Realised/Unrealised foreign exchange gain or (loss)	(51)	(5)	(12)	14
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 30 September 2023.

### Operating Segments

	Segment Revenue Period Ended		Segment Profit / (Loss) Period Ended	
	30.09.2023 (RM'000)	30.09.2022 (RM'000)	30.09.2023 (RM'000)	30.09.2022 (RM'000)
Express delivery	247,686	247,987	(18,559)	(15,410)
Logistics	22,706	27,217	(2,908)	4,410
Information technology	23,840	5,491	(785)	186
Others*	440	-	(1,723)	(2,505)
Total	<u>294,672</u>	<u>280,695</u>	<u>(23,975)</u>	<u>(13,319)</u>
Finance costs			(3,834)	(2,758)
Reversal of impairment loss / (impairment loss) on trade receivables			(178)	4
Share of profit of associated company			327	1,848
Loss before tax			<u>(27,660)</u>	<u>(14,225)</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:

	<b>Carrying Amount of Segment Assets And Liabilities As At</b>	
	<b>30.09.2023 (RM'000)</b>	<b>30.09.2022 (RM'000)</b>
<b>Segment Assets</b>		
Express delivery	496,853	534,362
Logistics	35,049	28,517
Information technology	31,379	24,374
Others	43,950	46,075
	607,231	633,328
Unallocated corporate assets		
- Tax recoverable	13,804	22,375
	621,035	655,703
<b>Segment Liabilities</b>		
Express delivery	142,193	129,780
Logistics	15,167	14,833
Information technology	10,786	8,294
Others	329	685
	168,475	153,592
Unallocated liabilities		
- Tax liabilities	497	768
- Deferred tax liabilities	2,090	3,739
	171,062	158,099
	<b>30.09.2023 (RM'000)</b>	<b>30.09.2022 (RM'000)</b>
<b>Other Segment Information</b>		
Additions to Non-current assets		
- Express delivery	23,733	12,929
- Logistics	2,900	1,586
- Information technology	1,158	177
- Others	-	59
Depreciation and amortisation		
- Express delivery	29,325	29,815
- Logistics	9,729	7,306
- Information technology	1,370	259
- Others	1,446	1,690
	1,446	1,690

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

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



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### Geographical Segments

	Revenue by Geographical Market For the Period Ended		Carrying Amount of Segment Non-Current Assets As At	
	30.09.2023 (RM'000)	30.09.2022 (RM'000)	30.09.2023 (RM'000)	30.09.2022 (RM'000)
Malaysia	245,596	231,120	300,720	288,542
Singapore	2,604	1,064	712	630
Vietnam	46,472	48,511	12,828	9,998
Total	294,672	280,695	314,260	299,170

### 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 30 September 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 30 September 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.

- On 16 June 2023, the Company had subscribed to a total of 2,000 ordinary shares for a total cash consideration of RM2,000 in Frontier Scion Sdn Bhd ("FSSB"), a newly incorporated company in Malaysia under the Companies Act, 2016. FSSB became a 100% holding owned subsidiary of the Company and currently is dormant.



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- On 4 August 2023, Web Bytes Sdb Bhd , a 38% owned subsidiary company, had subscribed 100% equity interest in Xilnex Vietnam Company Limited, a newly incorporated company in Vietnam, for a total consideration of VND583,000,000 (equivalent to USD25,000).

## 12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

## 13. CAPITAL COMMITMENTS

All capital commitments undertaken have been included in the financial statements for the current quarter and period ended 30 September 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	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b><u>Revenue</u></b>				
Provision of express delivery services				
- Singapore Post Limited	11	1	11	1
- Quantum Solutions International (Malaysia) Sdn Bhd	398	571	241	576
- Yamato Transport (M) Sdn Bhd.	50	21	23	17
- Yamato Transport (S) Pte. Ltd.	3,005	869	959	707
<b><u>Interest income</u></b>				
- Web Bytes Sdn Bhd	-	6	-	-
<b><u>Expenses</u></b>				
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 30 September 2023 versus the Corresponding Quarter Ended 30 September 2022**

**Group Performance**

	Current Quarter Three Months Ended		Current Period Ended	
	30.09.2023 (RM'000)	30.09.2022 (RM'000)	30.09.2023 (RM'000)	30.09.2022 (RM'000)
Revenue	101,113	95,275	294,672	280,695
Profit Before Taxation	(10,130)	(7,348)	(27,660)	(14,225)

Group revenue for the current quarter ended 30 September 2023 amounted to RM101.1 million, representing an increase of 6.1%, mainly contributed by the Express Delivery and Information Technology Segment. The Group reported a loss before tax of RM10.1 million for the quarter, and the loss increased by 37.9%, as compared to corresponding quarter ended 30 September 2022.

**Segmental Performance**

	Revenue Quarter Ended		Profit /(Loss) Before Taxation Quarter Ended	
	30.09.2023 (RM'000)	30.09.2022 (RM'000)	30.09.2023 (RM'000)	30.09.2022 (RM'000)
Courier Services	84,733	81,765	(7,785)	(6,896)
Logistics Services	7,228	8,403	(1,325)	241
Information Technology	8,987	5,107	(453)	171
Others	165	-	(567)	(864)
	101,113	95,275	(10,130)	(7,348)

**Courier Services**

The revenue of the Courier Services segment for the current quarter ended 30 September 2023 increased 3.6%, mainly contributed by the Business-to-Business (B2B) and Consumer-to-Consumer (C2C) business activities. The loss before tax rose 12.9%, mainly due to higher operating costs incurred by the Group's Vietnam subsidiary company and inflationary impact on the Group, as compared to corresponding quarter ended 30 September 2022.



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### Logistics Services

The 14.0% decline in revenue of the Logistics Services segment for the current quarter ended 30 September 2023 was mainly due to low demand in online business activities, as retail business operations continued to grow.

The Logistics Services segment reported a loss of RM 1.3 million, representing a decline of 649.8% for the current quarter ended 30 September 2023, as compared to profit before tax reported in the corresponding quarter ended 30 September 2022. This was mainly due to the lower demand of logistics and warehousing services as a result of slower paced online business activities of the existing warehousing customers as well as higher warehouse maintenance costs and operating expenses.

### Information Technology

The revenue of the Information Technology segment was reported at RM 9.0 million, representing an increase of 76.0% as compared to the corresponding quarter ended 30 September 2022, in which the new tech group subsidiaries were only acquired in the second quarter of the previous financial year. The revenue of this segment was mainly contributed by systems and websites development, as well as software distribution. The loss posted was mainly due to higher IT human capital costs incurred.

### Others

The Others segment include the Group's dormant companies, property management, and insurance business activities. The loss before tax for this segment was mainly due to property maintenance cost and discontinued rental activities.

## 2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

### Group Performance

	30.06.2023 (RM'000)	3 Months Ended 30.06.2023 (RM'000)
Revenue	101,113	95,075
Loss Before Taxation	(10,130)	(10,730)

Group revenue increased by 6.4%, while loss before taxation reduced by 5.6% for the current quarter under review, as compared to the immediate preceding quarter ended 30 June 2023. This was mainly contributed by the improved demand of courier service business activities and operating cost control via expenses rationalisation and cost optimisation exercise.



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### Segmental Performance

	Revenue Quarter Ended		Profit /(Loss) Before Taxation Quarter Ended	
	30.09.2023 (RM'000)	30.06.2023 (RM'000)	30.09.2023 (RM'000)	30.06.2023 (RM'000)
Courier Services	84,733	79,173	(7,785)	(9,060)
Logistics Services	7,228	7,811	(1,325)	(931)
Information Technology	8,987	7,976	(453)	(112)
Others	165	115	(567)	(627)
	101,113	95,075	(10,130)	(10,730)

#### Courier Services

The total revenue generated from the Courier Services segment for the current quarter under review increased 7.0%, mainly due to the increase in B2B and C2C business activities. Loss before taxation reduced by 14.1% as compared to immediate preceding quarter ended 30 June 2023, mainly due to improvements in operating cost control via expenses rationalisation and cost optimisation exercise.

#### Logistics Services

The revenue reported in the Logistics Services segment for the current quarter decreased 7.5%, while loss before taxation increased 42.3%, as compared to the immediate preceding quarter ended 30 June 2023. This was mainly due to the lower demand of warehousing activities as a result of the slow-paced business activities of existing clients, as well as higher warehouse maintenance costs.

#### Information Technology

The revenue from Information Technology segment for the current quarter increased 12.7%, while the loss before taxation increased 304.5% as compared to the immediate preceding quarter ended 30 June 2023. This was due to higher human capital cost incurred especially in software development.

#### Others

The Others segment include the Group's dormant companies, property management, and insurance business activities. The loss before tax was mainly due to property maintenance cost.



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### 3. COMMENTARY ON PROSPECTS

The outlook of the courier services and logistics industry continues to be challenging due to the uneven playing field, weak market sentiments, low demand conditions, inflationary pressure, including higher manpower and operating costs.

The Group registered a positive growth in revenue from our recent acquisitions specifically in the information technology segment. We will leverage on the stronger technology ecosystem to customers with better supply-chain solutions.

### 4. VARIANCE FROM PROFIT FORECAST

No profit forecast was issued during the financial quarter and period ended 30 September 2023 under review.

### 5. INCOME TAX EXPENSE

Taxation in respect of the current quarter and financial period ended 30 September 2023 is comprised of the following:

	Current Quarter Three Months Ended		Current Period Ended	
	30.09.2023 (RM'000)	30.09.2022 (RM'000)	30.09.2023 (RM'000)	30.09.2022 (RM'000)
Income Tax: -				
Current quarter/period	(490)	162	(2,210)	(2,205)
Deferred Tax: -				
Current quarter/period	19	849	999	5,449
	<u>(471)</u>	<u>1,011</u>	<u>(1,211)</u>	<u>3,244</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 September 2023 under review.

### 7. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced during the current quarter and period ended 30 September 2023 but not completed as at the reporting date.



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## 8. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the following:

	As at 30.09.2023 (RM'000)	As at 30.09.2022 (RM'000)
<b>Short term borrowings (secured):</b>		
<b>Denominated in Ringgit Malaysia</b>		
Hire purchase payables	4,614	6,871
<b>Long term borrowings (secured):</b>		
<b>Denominated in Ringgit Malaysia</b>		
Hire purchase payables	1,142	5,553
Borrowings	2,982	1,859
<b>Total borrowings</b>	<b>8,738</b>	<b>14,283</b>

There was no unsecured debt during the current quarter and period ended 30 September 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 30 September 2023 under review.

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## 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	
	30.09.2023 (RM'000)	30.09.2022 (RM'000)	30.09.2023 (RM'000)	30.09.2022 (RM'000)
Net profit attributable to ordinary shareholders	(8,157)	(6,568)	(26,712)	(12,015)
Weighted average number of ordinary shares in issue (units)	5,641,410,835	5,641,410,835	5,641,410,835	5,641,410,835
Basic Earnings per share (sen)	(0.14)	(0.12)	(0.47)	(0.21)

### 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	
	30.09.2023 (RM'000)	30.09.2022 (RM'000)	30.09.2023 (RM'000)	30.09.2022 (RM'000)
Net profit attributable to ordinary shareholders	(8,157)	(6,568)	(26,712)	(12,015)
Weighted average number of ordinary shares in issue (units)	5,546,106,585	5,641,410,835	5,546,106,585	5,641,410,835
Adjustment for share warrants	(1,035,639,127)	(529,580,454)	(1,012,342,816)	(853,103,488)
Weighted average number of ordinary shares in issue (units)	4,510,467,458	5,111,830,381	4,533,763,769	4,788,307,347
Basic Earnings per share (sen)	(0.18)	(0.13)	(0.59)	(0.25)



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**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 27 November 2023.

By Order of the Board

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

Selangor Darul Ehsan  
Date: 27 November 2023