



GDEX BERHAD

(Registration No. 200301028159 (630579-A))

(Incorporated in Malaysia under the Companies Act, 1965)

FINANCIAL PERFORMANCE FOR THE 2ND QUARTER AND PERIOD ENDED 30TH JUNE 2024



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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 30TH JUNE 2024

	Three Months Ended (Unaudited)		Current Period To-Date (Unaudited)	
	30.06.2024 (RM'000)	30.06.2023 (RM'000)	30.06.2024 (RM'000)	30.06.2023 (RM'000)
Revenue	96,881	95,075	196,303	193,559
Operating expenses	(101,859)	(106,692)	(205,812)	(213,195)
Other operating income	3,099	2,103	6,176	4,546
Operating loss	(1,879)	(9,514)	(3,333)	(15,090)
Finance costs	(1,033)	(1,318)	(2,073)	(2,593)
Share of post-tax profit/(loss) of associated companies	331	102	637	153
Loss before tax	(2,581)	(10,730)	(4,769)	(17,530)
Income tax expense	(320)	(537)	(643)	(740)
Net loss for the period	(2,901)	(11,267)	(5,412)	(18,270)
Other comprehensive (loss)/income:				
Foreign currency translation differences for foreign operations	(836)	2,136	(690)	2,742
	(836)	2,136	(690)	2,742
Total comprehensive loss for the period	(3,737)	(9,131)	(6,102)	(15,528)
Loss attributable to: -				
Owners of the company	(2,922)	(11,345)	(5,084)	(18,555)
Non-controlling interest	21	78	(328)	285
	(2,901)	(11,267)	(5,412)	(18,270)
Comprehensive loss attributable to: -				
Owners of the company	(3,758)	(9,209)	(5,774)	(15,813)
Non-controlling interest	21	78	(328)	285
	(3,737)	(9,131)	(6,102)	(15,528)
Earnings per share: -				
Basic EPS (sen)	(0.1)	(0.2)	(0.1)	(0.3)
Diluted EPS (sen)	(0.1)	(0.2)	(0.1)	(0.4)



GDEX BERHAD (Registration No. 200301028159 (630579-A))
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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 31st December 2023 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30TH JUNE 2024

	Unaudited 30.06.2024 (RM'000)	Audited 31.12.2023 (RM'000)
ASSETS		
Non-current Assets		
Property, plant and equipment	109,120	121,350
Intangible assets	1,334	1,699
Right-of-use assets	114,506	113,123
Investment in associates	34,365	33,729
Goodwill arising from consolidation	29,173	29,173
Other investments	121	69
Investment in redeemable convertible preference shares	2,160	2,160
Deferred tax assets	406	1,683
	291,185	302,986
Current Assets		
Inventories	3,047	2,906
Trade receivables	54,849	59,416
Other receivables and prepaid expenses	34,820	30,430
Loan to an associate	1,152	2,384
Tax recoverable	15,348	14,839
Short-term funds	557	100
Deposits with licensed banks	141,690	149,441
Cash and bank balances	48,615	45,116
	300,078	304,632
Total Assets	591,263	607,618
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	337,896	337,896
Treasury shares	(27,764)	(27,634)
Reserves	94,813	106,141
Non-controlling interests	22,506	23,286
Total Equity	427,451	439,689
Non-Current Liabilities		
Hire-purchase payables	46	676
Bank borrowings	1,040	1,062
Lease liabilities	76,301	83,191
Provision for restoration costs	761	794
Provision for retirement benefits	800	800
Deferred tax liabilities	2,470	2,462



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Total Non-current Liabilities	81,418	88,985
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30TH JUNE 2024
(cont'd)

	Unaudited 30.06.2024 (RM'000)	Audited 31.12.2023 (RM'000)
Current liabilities		
Trade payables	15,612	12,536
Other payables and accrued expenses	40,369	47,651
Provision for restoration costs	368	322
Hire-purchase payables	2,090	3,596
Bank borrowings	679	1,470
Lease liabilities	22,012	12,188
Provision for taxation	1,264	1,181
Total Current Liabilities	82,394	78,944
Total Liabilities	163,812	167,929
Total Equity and Liabilities	591,263	607,618
Net Assets per share attributable to owners of the company (RM)	0.08	0.08



GDEX BERHAD (Registration No. 200301028159 (630579-A))
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The above Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31st December 2023 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 CHANGES IN EQUITY FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30TH JUNE 2024

	Issued Share capital (RM'000)	Treasury Shares (RM'000)	Non- distributable reserves – Fair value reserve (RM'000)	Non- distributable reserves – Translation reserve (RM'000)	Distributable reserves – 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	-	-	-	-	(18,555)	(18,555)	285	(18,270)
Other comprehensive (loss)/income	-	-	-	2,742	-	2,742	-	2,742
Total comprehensive (loss)/income for the period	-	-	-	2,742	(18,555)	(15,813)	285	(15,528)
Shares repurchased	-	(4,706)	-	-	-	(4,706)	-	(4,706)
	-	(4,706)	-	2,742	(18,555)	(20,519)	285	(20,234)
As of 30.06.2023 (Unaudited)	337,896	(27,634)	-	4,029	128,205	442,496	27,479	469,975



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30TH JUNE 2024
(cont'd)

	Issued Share capital (RM'000)	Treasury Shares (RM'000)	Non- distributable reserves – Fair value reserve (RM'000)	Non- distributable reserves- Translation reserve (RM'000)	Distributable reserves – Retained earnings (RM'000)	Attributable to the owners of the parent (RM'000)	Non- controlling interests (RM'000)	Total (RM'000)
As of 01.01.2024	337,896	(27,634)	(64)	2,327	103,879	416,404	23,286	439,690
(Loss) for the period	-	-	-	-	(5,084)	(5,084)	(328)	(5,412)
Other comprehensive income/(loss)	-	-	2	(692)	-	(690)	-	(690)
Total comprehensive income/(loss) for the period	-	-	2	(692)	(5,084)	(5,774)	(328)	(6,102)
Dividends	-	-	-	-	(5,542)	(5,542)	(465)	(6,007)
Dilution of interest	-	-	-	-	(13)	(13)	13	-
Shares repurchased	-	(130)	-	-	-	(130)	-	(130)
	-	(130)	2	(692)	(10,639)	(11,459)	(780)	(12,239)
As of 30.06.2024 (Unaudited)	337,896	(27,764)	(62)	1,635	93,240	404,945	22,506	427,451



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

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31st December 2023 and the accompanying explanatory notes attached to the interim financial statements.



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30TH JUNE 2024

	Current Quarter Ended 30.06.2024 (RM'000)	Corresponding Quarter Ended 30.06.2023 (RM'000)
Cash flows from operating activities		
Loss for the period	(5,412)	(18,270)
Adjustments for non-cash items	26,385	28,682
Operating profit before changes in working capital	20,973	10,412
(Increase)/Decrease in working capital		
Inventories	(141)	(1,018)
Receivables, deposits and prepayment	443	5,918
Payables and accruals	(4,214)	8,604
Cash generated from operations	17,061	23,916
Income tax refund	-	10,258
Income tax paid	(1,049)	(3,462)
Net cash from operating activities	16,012	30,712
Cash flows from investing activities		
Additions to property, plant and equipment	(1,468)	(25,542)
Proceeds from disposal of property, plant and equipment	-	11
Additions to intangible assets	80	(132)
Repayment/(addition) of loan from related party	1,232	498
Investment in RCPS	-	(2,160)
Interest received	3,563	3,276
(Increase) / decrease in short term funds	(457)	19,569
Decrease / (increase) in fixed deposit pledged with licensed bank	(25,379)	(19,245)
Net cash generated from investing activities	(22,429)	(23,725)
Cash flows from financing activities		
Consideration paid for share repurchased	(130)	(4,706)
Net repayment of bank borrowings	(813)	(480)
Net payment of hire purchase payables	(2,136)	(3,252)
Payment of lease liabilities	(13,254)	(14,985)
Finance costs paid	(341)	(344)
Dividends paid	(6,007)	-
Net cash used in financing activities	(22,681)	(23,767)
Net change in cash and cash equivalents	(29,098)	(16,780)
Effect of exchange difference	(533)	2,191
Cash and cash equivalents at beginning of period	92,340	105,781
Cash and cash equivalents at end of period*	62,709	91,192



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30TH JUNE 2024 (Cont'd)

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

	Current Quarter Ended 30.06.2024 (RM'000)	Previous Quarter Ended 30.06.2023 (RM'000)
Purchase of:		
Property, plant and equipment	1,468	25,542
Financed by:		
Cash payments and other payables	1,468	25,542

The Group adopted 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 31st December 2023 and the accompanying explanatory notes attached to the interim financial statements.



**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 31st December 2023.

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 31st December 2023.

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

In the current financial period, the Group has 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 1st January 2024 as follows:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendment to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Agreements

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 to MFRSs 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 121	Lack of Exchangeability ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²

¹ Effective for annual years beginning on or after 1st January 2025.

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 undertakes a detailed review.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's main business operations primarily cover express delivery and logistics services. The revenue of the Group is typically affected by various public and festive holidays, if any, during the current quarter and the financial period ended 30th June 2024 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 financial period ended 30th June 2024 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 financial period ended 30th June 2024 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 30th June 2024.

7. DIVIDEND PAID

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

	Financial Year Ended 31.12.2024	Financial Year Ended 31.12.2023
First and final dividend for the financial year/period	31.12.2023	31.12.2022
Approved and declared on	11.06.2024	08.06.2023
Date paid	01.07.2024	07.07.2023
Number of ordinary shares on which dividends were paid	5,541,410,835	5,541,410,835
Amount per share (Single-tier)	0.10 sen	0.15 sen
Net dividend paid in cash (RM'000)	<u>5,541</u>	<u>8,313</u>



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The proposed final single tier dividend of 0.10 sen per share amounting to RM5.541 million in respect of the financial year ended 31st December 2023, was approved by the shareholders at the Twentieth Annual General Meeting (“20th AGM”) of the Company, held on 11th June 2024 and was paid on 1st July 2024 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:

	Current Quarter Three Months Ended		Current Financial Period Ended	
	30.06.2024 (RM'000)	30.06.2023 (RM'000)	30.06.2024 (RM'000)	30.06.2023 (RM'000)
Interest income	1,723	1,622	3,563	3,276
Dividend income	-	55	-	164
Other income	1,376	427	2,613	1,107
Interest expense	(1,033)	(1,318)	(2,073)	(2,593)
Depreciation and amortization	(13,573)	(14,028)	(27,122)	(27,984)
Reversal of impairment loss on trade receivables	270	(541)	502	(946)
Realised/Unrealised foreign exchange gain or (loss)	34	3	87	39
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

9. OPERATING SEGMENTS

The Group has three (3) reportable business segments and primarily operates in Malaysia, Singapore, and Vietnam. These are described as the Group's strategic business units. These strategic business units offer different services and are managed separately due to their distinct resource management and marketing strategies. Other segments (*) include insurance agent services, property management, and dormant companies, where their results are 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 financial period ended 30th June 2024.



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Operating Segments

	Segment Revenue		Segment Profit / (Loss)	
	Financial Period Ended		Financial Period Ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Express delivery	168,879	167,916	1,688	(7,554)
Logistics	6,882	10,516	(4,459)	(5,077)
Information technology	20,359	14,852	295	(357)
Others*	183	275	(1,127)	(1,156)
Total	196,303	193,559	(3,603)	(14,144)
Finance costs			(2,073)	(2,593)
Impairment loss on trade receivables			270	(946)
Share of profit of associated company			637	153
Loss before tax			(4,769)	(17,530)

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

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	
	30.06.2024	30.06.2023
	(RM'000)	(RM'000)
Segment Assets		
Express delivery	459,385	521,554
Logistics	35,277	36,903
Information technology	38,518	29,372
Others	42,735	44,163
	575,915	631,992
Unallocated corporate assets		
- Tax recoverable	15,348	14,539
	591,263	646,531



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	Carrying Amount of Segment Assets and Liabilities As At	
	30.06.2024 (RM'000)	30.06.2023 (RM'000)
Segment Liabilities		
Courier services	124,260	145,716
Logistics	19,059	18,254
Information technology	16,666	8,594
Others	93	631
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	160,078	173,195
Unallocated liabilities		
- Tax liabilities	1,264	1,194
- Deferred tax liabilities	2,470	2,167
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	163,812	176,556
	30.06.2024 (RM'000)	30.06.2023 (RM'000)
Other Segment Information		
Additions to Non-current assets		
- Courier services	554	22,904
- Logistics	-	1,624
- Information technology	794	1,014
- Others	120	-
Depreciation and amortisation		
- Courier services	19,035	19,544
- Logistics	6,234	6,500
- Information technology	992	971
- Others	861	969
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For the purposes of monitoring segment performance and allocating resources among segments, all assets and liabilities are allocated directly to reportable segments.



GDEX BERHAD (Registration No. 200301028159 (630579-A))
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The following is an analysis of the group's revenue and carrying amount of segment non-current assets by geographical markets.

Geographical Segments

	Revenue by Geographical Market For the Financial Period Ended		Carrying Amount of Segment Non-Current Assets As At	
	30.06.2024 (RM'000)	30.06.2023 (RM'000)	30.06.2024 (RM'000)	30.06.2023 (RM'000)
Malaysia	166,975	159,741	279,479	307,774
Singapore	481	2,442	486	824
Vietnam	28,847	31,376	11,220	13,180
Indonesia	-	-	-	-
Total	196,303	193,559	291,185	321,778

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 substantially affect the results of the operations of the Group for the current quarter and financial period ended 30th June 2024, except for the acquisition of 67.0% shares equity in Avengers Capital Sdn. Bhd. via the 60% held subsidiary Anon Security Sdn. Bhd. with a total consideration of RM5.0 million on 01 July 2024.

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 30th June 2024 under review that includes business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations except for the following: -

- (i) The Company did not exercise its redemption right of Redeemable Convertible Preference Shares (A-RCPS) in ALP Capital Sdn Bhd ("ALP Capital"), which lapsed on 22nd November 2023. The Company is currently in the process of redeeming the A-RCPS at the subscription price with interest with ALP Capital in accordance with the A-RCPS subscription agreement. As a result, the investment in A-RCPS of RM500,000 had been reclassified to other receivables in the financial year ended 31st December 2023. ALP Capital is a subsidiary company of Web Bytes Sdn Bhd

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 financial period ended 30th June 2024 under review



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14. RELATED PARTY TRANSACTIONS

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

	Transaction Value Three Months Ended		Balance Outstanding As At	
	30.06.2024 (RM'000)	30.06.2023 (RM'000)	30.06.2024 (RM'000)	30.06.2023 (RM'000)
<u>Revenue</u>				
Provision of express delivery services				
- Singapore Post Group	94	380	56	196
- Yamato Group	1,279	2,247	911	3,229
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<u>Expenses</u>				
Provision for advisory services				
- Yamato Group	(30)	(30)	(10)	(11)
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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 30th June 2024 versus the Corresponding Quarter Ended 30th June 2023

Group Performance

	Current Quarter Three Months Ended		Current Financial Period Ended	
	30.06.2024 (RM'000)	30.06.2023 (RM'000)	30.06.2024 (RM'000)	30.06.2023 (RM'000)
Revenue	96,881	95,075	196,303	193,559
Loss Before Taxation	(2,581)	(10,730)	(4,769)	(17,530)

The group revenue for the current quarter ended 30th June 2024 is reported at RM 96.8 million, reflecting a 1.9 % increase, mainly contributed by the information technology segment. The Group reported a loss before tax of RM 2.6 million, a 75.9% reduction, as compared to the corresponding quarter ended 30th June 2023, mainly due to effective cost management in express delivery services.

Segmental Performance

	Revenue Quarter Ended		Profit /(Loss) Before Taxation Quarter Ended	
	30.06.2024 (RM'000)	30.06.2023 (RM'000)	30.06.2024 (RM'000)	30.06.2023 (RM'000)
Express delivery	82,493	81,713	(117)	(7,407)
Logistics	3,369	5,271	(1,849)	(2,631)
Information Technology	10,946	7,976	(36)	(112)
Others	73	115	(579)	(580)
Total	96,881	95,075	(2,581)	(10,730)

Express delivery

The revenue reported in the express delivery segment for the current quarter ended 30th June 2024 experienced a slight improvement of 1.0 %. Resulting from effective cost optimisation, loss before tax was reduced by 98.4 % as compared to the corresponding quarter ended 30th June 2023.

Logistics

The 36.1 % decline in revenue of the logistics segment for the current quarter ended 30th June 2024 was mainly due to the cessation of business activities of a major customer, as compared to the corresponding quarter ended 30th June 2023.



In the current quarter, the logistics segment reported a loss before tax of RM 1.8 million, representing a 29.7 % decrease as compared to quarter ended 30th June 2023. The reduction was mainly due to recognition of a gain of modification of lease properties.

Information Technology

The revenue of the information technology segment is reported at RM 10.9 million, representing an increase of 37.2 % as compared to the corresponding quarter ended 30th June 2023, mainly due to improved revenue in software customization and development services. The loss before tax for the current quarter ended 30th June 2024 improved by 67.9%, as a result of sales revenue growth in the information technology segment.

Others

The 'Others' segment includes dormant companies, as well as property management and insurance agent business activities. Loss before tax for this segment was mainly attributed to the property maintenance costs incurred and discontinuation of rental activities.

2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

Group Performance

	30.06.2024	3 Months Ended
	(RM'000)	31.03.2024
		(RM'000)
Revenue	96,881	99,422
Loss Before Taxation	(2,581)	(2,188)

Group revenue decreased by 2.6 % to RM 96.8 million, while loss before taxation increased by 18.0 % to RM 2.6 million for the current quarter under review compared to the immediate preceding quarter ended 31st March 2024. The decrease in revenue was mainly due to lower demand and volume for express delivery services during festive seasons. The increase in loss before taxation was primarily contributed by the losses shared by express delivery and information technology segment.

Segmental Performance

	Revenue		Profit /(Loss)	
	Quarter Ended		Before Taxation	
	30.06.2024	31.03.2024	30.06.2024	31.03.2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Express delivery	82,493	86,386	(117)	659
Logistics	3,369	3,513	(1,849)	(2,776)
Information Technology	10,946	9,413	(36)	477
Others	73	110	(579)	(548)
Total	96,881	99,422	(2,581)	(2,188)



Express delivery

The total revenue generated from the express delivery segment for the current quarter under review decreased by 4.5% while loss before taxation increased by 117.8 % as compared to the immediate preceding quarter ended 31st March 2024 mainly due to the decline in demand of express delivery business activities and resulting to lower volume during festive holidays.

Logistics

The revenue reported in the logistics segment for the current quarter decreased by 4.1 %, and the loss before taxation decreased by 33.4 % compared to the immediate preceding quarter ended 31st March 2024.

The decline in revenue was mainly due to the lower demand for warehousing activities. The decline in the loss before taxation was primarily due to the gain on de-recognition of lease property and saving in the warehouse operating costs.

Information Technology

While the revenue from information technology services segment for the current quarter increased by 16.3 %, the profit before taxation for the segment declined by 107.5% compared to the immediate preceding quarter ended 31st March 2024, as a result of the costs incurred direct cost in the last quarter under review.

Others

The 'Others' segment includes the Group's dormant companies, property management, and insurance agent business activities. The loss before tax for this segment is mainly due to the costs incurred for property maintenance.

3. COMMENTARY ON PROSPECTS

The outlook of the courier services and logistics industries in 2024 remains challenging due to the competitive market conditions from overcrowding, predatory pricing practices and inflationary pressure.

The Group will continue to drive operational efficiency, as well as offering integrated supply chain solutions and services.

The Group is starting to benefit from its diversification into the provision of information technology services.

4. VARIANCE FROM PROFIT FORECAST

No profit forecast was issued during the financial quarter and financial period ended 30th June 2024 under review.



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

5. INCOME TAX EXPENSE

Taxation in respect of the current quarter and financial period ended 30th June 2024 comprises of the following:

	Current Quarter Three Months Ended		Current Financial Period Ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Income Tax: -				
Current quarter/period	368	936	744	1,720
(Over)/Underprovision in prior years	-	-	-	-
	368	936	744	1,720
Deferred Tax: -				
Current quarter/period	(48)	(399)	(101)	(980)
(Over)/Underprovision in prior years	-	-	-	-
	(48)	(399)	(101)	(980)
	320	537	643	740

6. UTILISATION OF PROCEEDS

The Group has not raised any proceeds from any of its corporate exercise during the current quarter and financial period ended 30th June 2024 under review.

7. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced during the current quarter and financial period ended 30th June 2024 under review except for the announcement made to Bursa Securities on 16th April 2024, in which the Company intends to undertake a diversification of the existing principal activities of GDEX and its subsidiaries to include the provision of information technology ("IT") services and solutions ("IT Services and Solutions") (Proposed Diversification").

The proposed diversification was approved by the shareholders at the Extraordinary General Meeting ("EGM") of the Company, held on 11th June 2024.



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

8. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the following:

	As at 30.06.2024 (RM'000)	As at 30.06.2023 (RM'000)
Short term borrowings (secured): Denominated in Ringgit Malaysia		
Hire purchase payables	2,090	6,398
Borrowings	679	-
Long term borrowings (secured): Denominated in Ringgit Malaysia		
Hire purchase payables	46	837
Borrowings	1040	3,558
Total borrowings	3,855	10,793

There was no unsecured debt during the current quarter and financial period ended 30th June 2024. In addition, the group has no intention to secure external financing.

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 other dividends declared during the current quarter and financial period ended 30th June 2024 under review.

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

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		Financial Period Ended	
	30.06.2024 (RM'000)	30.06.2023 (RM'000)	30.06.2024 (RM'000)	30.06.2023 (RM'000)
Net loss attributable to ordinary shareholders	(2,922)	(11,345)	(5,084)	(18,555)
Weighted average number of ordinary shares in issue (units)	5,541,020,085	5,590,614,835	5,541,020,085	5,548,174,185
Basic Earnings per share (sen)	(0.10)	(0.20)	(0.10)	(0.30)

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		Financial Period Ended	
	30.06.2024 (RM'000)	30.06.2023 (RM'000)	30.06.2024 (RM'000)	30.06.2023 (RM'000)
Net profit attributable to ordinary shareholders	(2,922)	(11,345)	(5,084)	(18,555)
Weighted average number of ordinary shares in issue (units)	5,541,020,085	5,590,614,835	5,541,020,085	5,548,174,185
Adjustment for share warrants	(1,199,270,671)	(1,012,141,466)	(1,090,245,382)	(1,000,450,762)
Weighted average number of ordinary shares in issue (units)	4,341,749,414	4,578,473,369	4,450,774,703	4,547,723,423
Basic Earnings per share (sen)	(0.10)	(0.20)	(0.10)	(0.40)



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

12. AUDIT REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the financial year ended 31st December 2023 was not subject to any audit qualification.

13. AUTHORISATION FOR ISSUE

The Unaudited Condensed Interim Financial Statements were authorised for issue by the Board in accordance with a resolution of the Directors on 29th August 2024.

By Order of the Board

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

Selangor Darul Ehsan
Date: 29th August 2024