



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 3RD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2022

	Three Months Ended (Unaudited)		Current Period To-Date (Unaudited)	
	30.09.2022 (RM'000)	30.09.2021 (RM'000)	30.09.2022 (RM'000)	30.09.2021 (RM'000)
Revenue	95,275	102,859	280,695	315,336
Operating expenses	(105,738)	(95,984)	(301,828)	(296,969)
Other operating income	3,556	3,337	7,818	8,656
(Loss)/profit from operations	(6,907)	10,212	(13,315)	27,023
Finance costs	(1,046)	(1,121)	(2,758)	(3,052)
Share of post-tax profit of associated companies	605	1,884	1,848	3,964
(Loss)/profit before tax	(7,348)	10,975	(14,225)	27,935
Income tax expense	1,011	(1,792)	3,244	(6,864)
Net (loss)/profit for the period	(6,337)	9,183	(10,981)	21,071
Other comprehensive (loss)/income:				
Foreign currency translation differences for foreign operations	1,052	342	2,161	1,643
	1,052	342	2,161	1,643
Total comprehensive (loss)/income for the period	(5,285)	9,525	(8,820)	22,714
Profit/(loss) attributable to				
Owners of the company	(6,568)	9,468	(12,015)	21,444
Non-controlling interest	231	(285)	1,034	(373)
	(6,337)	9,183	(10,981)	21,071
Comprehensive (loss)/income attributable to				
Owners of the company	(5,516)	9,810	(9,854)	23,087
Non-controlling interest	231	(285)	1,034	(373)
	(5,285)	9,525	(8,820)	22,714
Earnings per share :				
Basic EPS (sen)	(0.12)	0.17	(0.21)	0.38
Diluted EPS (sen)	(0.13)	0.17	(0.25)	0.39

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 18 months financial period ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	Unaudited 30.09.2022 (RM'000)	Audited 31.12.2021 (RM'000)
ASSETS		
Non-current Assets		
Property, plant and equipment	118,499	121,948
Right-of-use assets	116,369	85,424
Investment properties	-	2,605
Investment in associates	34,663	41,398
Goodwill arising from consolidation	29,243	3,249
Loan to an associate	-	1,000
Investment in redeemable convertible preference shares	-	500
Intangible assets	396	-
	<u>299,170</u>	<u>256,124</u>
Current Assets		
Inventories	3,880	1,847
Trade receivables	54,223	64,249
Other receivables and prepaid expenses	35,692	24,482
Loan to an associate	5,185	1,050
Tax recoverable	22,375	15,952
Short-term funds	66,238	93,927
Deposits with licensed banks	127,233	150,323
Cash and bank balances	41,707	29,946
	<u>356,533</u>	<u>381,776</u>
Total Assets	<u><u>655,703</u></u>	<u><u>637,900</u></u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	337,896	337,896
Treasury shares	(21,257)	(20,949)
Reserves	155,105	164,959
Non-controlling interests	25,860	14,418
Total Equity	<u>497,604</u>	<u>496,324</u>
Non-Current Liabilities		
Hire-purchase payables	5,553	5,819
Bank borrowings	1,859	1,583
Lease liabilities	90,195	47,843
Provision for retirement benefits	824	827
Deferred tax liabilities	3,739	9,165
Total Non-current Liabilities	<u>102,170</u>	<u>65,237</u>



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022 (cont'd)

	Unaudited 30.09.2022 (RM'000)	Audited 31.12.2021 (RM'000)
Current liabilities		
Trade payables	11,947	12,179
Other payables and accrued expenses	29,553	34,190
Hire-purchase payables	6,871	8,723
Bank borrowings	-	684
Lease liabilities	6,790	20,208
Provision for taxation	768	355
Total Current Liabilities	<u>55,929</u>	<u>76,339</u>
Total Liabilities	<u>158,099</u>	<u>141,576</u>
Total Equity And Liabilities	<u>655,703</u>	<u>637,900</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 18 months financial period ended 31 December 2021 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 3RD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2022

	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 01.01.2021	337,896	(3,455)	(620)	159,151	492,972	13,482	506,454
Profit for the period	-	-	-	21,444	21,444	(373)	21,071
Other comprehensive income	-	-	1,643	-	1,643	-	1,643
Total comprehensive income for the period	-	-	1,643	21,444	23,087	(373)	22,714
Shares repurchased	-	(13,771)	-	-	(13,771)	-	(13,771)
Dividends	-	-	-	(11,257)	(11,257)	-	(11,257)
	-	(13,771)	1,643	10,187	(1,941)	(373)	(2,314)
As of 30.09.2021 Unaudited)	337,896	(17,226)	1,023	169,338	491,031	13,109	504,140



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE 3RD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2022
(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 01.01.2022	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
Total comprehensive (loss)/income for the period	-	-	2,161	(12,015)	(9,854)	1,034	(8,820)
Acquisition of subsidiaries	-	-	-	-	-	10,408	10,408
Shares repurchased	-	(308)	-	-	(308)	-	(308)
Dividends	-	-	-	-	-	-	-
	-	(308)	2,161	(12,015)	(10,162)	11,442	1,280
As of 30.09.2022 (Unaudited)	337,896	(21,257)	3,092	152,013	471,744	25,860	497,604

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the 18 months financial period ended 31 December 2021 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 3RD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2022

	30.09.2022	Current Quarter Ended 30.09.2021
	(RM'000)	(RM'000)
Cash flows from operating activities		
(Loss)/profit for the period	(10,981)	21,071
Adjustments for non-cash items	32,993	35,481
Operating profit before changes in working capital	22,012	56,552
(Increase)/Decrease in working capital		
Inventories	(892)	(33)
Receivables, deposits and prepayment	4,934	(2,465)
Payables and accruals	(9,257)	457
Cash generated from operations	16,797	54,511
Payment of retirement benefit	(4)	-
Income tax paid	(7,715)	(6,667)
Net cash from operating activities	9,078	47,844
Cash flows from investing activities		
Acquisition of property, plant and equipment	(8,722)	(8,161)
Proceeds from disposal of property, plant and equipment	27	(264)
Acquisition of subsidiary companies, net of cash	(9,249)	-
Loan to an associate	(5,185)	-
Interest received	2,440	3,664
Increased in short term funds	28,950	(7,908)
Decreased/(Increased) in fixed deposit pledged with licensed bank	11,838	(15,103)
Net cash generated from/(used in) investing activities	20,099	(27,772)
Cash flows from financing activities		
Consideration paid for share repurchased	(308)	(13,771)
Net drawdown/(repayment) of bank borrowings	(407)	1,703
Net payment of hire purchase payables	(8,202)	(13,381)
Payment of lease liabilities	(21,703)	(16,548)
Finance costs paid	(585)	(839)
Dividends paid	-	(11,257)
Net cash used in financing activities	(31,205)	(54,093)
Net change in cash and cash equivalents	(2,028)	(34,021)
Effect of exchange difference	2,536	2,143
Cash and cash equivalents at beginning of period	52,041	37,947
Cash and cash equivalents at end of period	52,549	6,069



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 3RD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2022 (Cont'd)

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

	30.09.2022	Current Quarter
	(RM'000)	Ended
		30.09.2021
		(RM'000)
Purchase of :		
Property, plant and equipment	14,741	15,100
	<hr/>	<hr/>
Financed by:		
Cash payments and other payables	8,722	8,161
Hire-purchase	6,019	6,939
	<hr/>	<hr/>
	14,741	15,100
	<hr/> <hr/>	<hr/> <hr/>

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 18 months financial period ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



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

1. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed consolidated interim financial statements also complies with International Accounting Standard 34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB). The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2021.

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 period ended 31 December 2021.

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 2022 as follows:

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use.
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to MFRSs	Annual Improvements to MFRSs Standards 2018 - 2020

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

Standards and Amendments in Issue but Not Yet Effective

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

MFRS 17	Insurance Contracts ²
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9 ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to MFRS 17	Insurance Contracts ²
Amendments to MFRS 17	Initial application of MFRS 17 and MFRS 9 – Comparative Information ²
Amendments to MFRS 101	Disclosure of Accounting Policies ²



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Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ²
Amendments to MFRS 108	Definition of Accounting Estimates ²
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²

¹ Effective immediately for annual periods beginning before 1 January 2023

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

³ 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 Standards and Amendments will have no material impact on the financial statements of the Group in the period of initial application.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the current quarter and period ended 30 September 2022 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 2022 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 2022 under review, except for the repurchased 1.5 million of its issued ordinary shares by the company from the open market at prices ranging from RM0.115 to RM0.250 per share. The total consideration paid for the repurchases was RM0.308 million which was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia. The details of shares repurchased were as follows:-



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	Number of shares	Total consideration RM	Purchase price per share		
			Highest RM	Lowest RM	Average RM
March 2022	1,000,000	249,597	0.250	0.240	0.250
September 2022	500,000	57,949	0.115	0.115	0.115
	1,500,000	307,546	0.250	0.115	0.205

7. DIVIDEND PAID

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

	Financial Year Ended 31.12.2022	Financial Period Ended 31.12.2021	
First interim dividend for the financial period	N/A	31.12.2021	
First and final dividend for the financial year	N/A		30.06.2020
Approved and declared on	N/A	25.11.2021	03.12.2020
Date paid	N/A	24.12.2021	22.02.2021
Number of ordinary shares on which dividends were paid	N/A	5,581,094,535	5,628,096,235
Amount per share (Single-tier)	N/A	0.20 sen	0.20 sen
Net dividend paid in cash (RM'000)	N/A	11,163	11,256

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

An interim dividend of 0.20 sen per share amounting to approximately RM11.2 million in respect of the financial period ended 31 December 2021, declared and announced on 25 November 2021, was paid on 24 December 2021.



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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		Current	
	Three Months Ended		Period Ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	852	823	2,440	3,664
Dividend income	419	2,080	1,107	2,839
Other income	2,284	434	4,271	1,907
Interest expense	(1,046)	(1,121)	(2,758)	(3,052)
Depreciation and amortization	(13,104)	(11,792)	(39,070)	(34,552)
Impairment loss on trade receivables	(102)	(366)	(4)	(6)
Realised foreign exchange gain or loss	(5)	(4)	14	(112)
Bad debts written off		-		
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, information technology, 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 2022.

Operating Segments

	Segment Revenue Period Ended		Segment Profit / (Loss) Period Ended	
	30.09.2022 (RM'000)	30.09.2021 (RM'000)	30.09.2022 (RM'000)	30.09.2021 (RM'000)
Express delivery	247,369	285,470	(15,410)	23,978
Logistics	27,217	29,725	4,410	4,768
Others	6,109	141	(2,319)	(2,229)
Total	<u>280,695</u>	<u>315,336</u>	<u>(13,319)</u>	<u>26,517</u>
Finance costs			(2,758)	(3,052)
Reversal of impairment loss/(impairment loss) on trade receivables			4	506
Share of profit of associated company			1,848	3,964
(Loss)/profit before tax			<u>(14,225)</u>	<u>27,935</u>

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

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

	Carrying Amount of Segment Assets And Liabilities As At	
	30.09.2022 (RM'000)	30.09.2021 (RM'000)
Segment Assets		
Express delivery	534,362	550,694
Logistics	28,517	31,404
Others	70,449	47,221
	633,328	629,319
Unallocated corporate assets		
- Tax recoverable	22,375	13,616
	655,703	642,935
Segment Liabilities		
Express delivery	129,780	114,466
Logistics	14,833	15,444
Others	8,979	767
	153,592	130,677
Unallocated liabilities		
- Tax liabilities	768	578
- Deferred tax liabilities	3,739	7,540
	158,099	138,795
	30.09.2022 (RM'000)	30.09.2021 (RM'000)
Other Segment Information		
Additions to Non-current assets		
- Express delivery	12,919	22,020
- Logistics	1,586	1,039
- Others	236	90
Depreciation and amortisation		
- Express delivery	29,815	45,700
- Logistics	7,306	8,536
- Others	1,949	2,522
	1,949	2,522

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	
	30.09.2022 (RM'000)	30.09.2021 (RM'000)	30.09.2022 (RM'000)	30.09.2021 (RM'000)
Malaysia	231,120	272,517	288,542	240,868
Singapore	1,064	1,851	630	270
Vietnam	48,511	40,968	9,998	8,998
Total	280,695	315,336	299,170	250,136

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 2022, except for the acquisition of 60.0% shares equity in Anon Security Sdn Bhd with a total consideration of RM1.2 million on 27 October 2022.

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 2022 under review which including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations, except for the additional acquisition of 5.31% equity in Web Bytes Sdn Bhd ("Web Bytes") for a total consideration of RM7.2 million on 1 August 2022. Upon completion of the acquisition and fulfilment of the requirements of the MFRS 10, Web Bytes has now becomes a 38% subsidiary company of the Company.

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 2022 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	
	30.09.2022 (RM'000)	30.09.2021 (RM'000)	30.09.2022 (RM'000)	30.09.2021 (RM'000)
<u>Revenue</u>				
Provision of express delivery services				
- Singapore Post Limited	1	227	1	151
- Quantum Solutions International(Malaysia) Sdn Bhd	571	1,162	576	810
- Yamato Transport (M) Sdn Bhd.	21	6	17	4
- Yamato Transport (S) Pte Ltd	869	6	707	10
<u>Interest income</u>				
- Web Bytes Sdn Bhd	6	-	-	-
<u>Expenses</u>				
Provision for advisory services				
- Yamato Transport Co., Ltd	(30)	(30)	(10)	(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 2022 versus the Corresponding Quarter Ended 30 September 2021

Group Performance

	Current Quarter Three Months Ended		Current Period Ended	
	30.09.2022 (RM'000)	30.09.2021 (RM'000)	30.09.2022 (RM'000)	30.09.2021 (RM'000)
Revenue	95,275	102,859	280,695	315,336
(Loss)/Profit Before Taxation	(7,348)	10,975	(14,225)	27,935

Group revenue for the current quarter and period ended 30 September 2022 reported at RM95.2 million and the Group loss before tax reported at RM7.3 million, declined 7.4% and 167.0% respectively.

Segmental Performance

	Courier Services Current Quarter Ended		Logistics Services Current Quarter Ended		Others* Current Quarter Ended	
	30.09.2022 (RM'000)	30.09.2021 (RM'000)	30.09.2022 (RM'000)	30.09.2021 (RM'000)	30.09.2022 (RM'000)	30.09.2021 (RM'000)
Revenue	81,615	92,341	8,403	10,464	5,257	54
Profit/(loss) Before Taxation	(6,896)	9,869	241	1,670	(693)	(564)

Courier Services

The revenue and loss before taxation reported in the courier services segment for the current quarter ended 30 September 2022 reported at RM81.6 million and RM6.9 million, declined 11.6% and 169.9% respectively as compared to corresponding quarter ended 30 September 2021 mainly due to stiff competition, weak market sentiment and low demand conditions in on-line business activities which had impacted the express delivery services, as well as increased in information technology (IT) operating expenses to enhance IT cyber-security system, increased in manpower cost as a results of implementation of statutory minimum wage rates.

Logistics Services

The revenue and profit before taxation reported in the logistics services segment recorded at RM8.4 million and RM0.2 million, decreased 19.7% and 85.6% respectively as compared to corresponding quarter ended 30 September 2021 mainly due to low demand in warehousing and logistics services as a results of weak market sentiment and low demand conditions in on-line business activities after resumed business operations of various retail business. Besides, the decline in profit before tax also due to increase in manpower cost caused by the implementation of statutory minimum wage rates.



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***Others**

The other segment comprise of information technology, property management, insurance agent services and dormant companies of the group. The revenue and loss before taxation reported in the other segment recorded at RM5.3 million and RM0.7 million. The higher revenue in this segment basically contributed by the information technology segment from the newly acquired subsidiary companies, while the loss incurred mainly caused by the property maintenance costs and discontinued of rental activities.

2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

Group Performance

	30.09.2022 (RM'000)	3 Months Ended 30.06.2022 (RM'000)
Revenue	95,275	93,533
Profit Before Taxation	(7,348)	(4,397)

The Group revenue increased 1.9% and loss before taxation increased 67.1% for the current quarter under review as compared to the immediate preceding quarter ended 30 June 2022. Increased in loss before taxation mainly contributed by the express delivery segment due to stiff competition, weak market sentiment and low demand conditions in on-line business activities.

Segmental Performance

	Courier Services		Logistics Services		Others*	
	Current Quarter Ended 30.09.2022 (RM'000)	30.06.2022 (RM'000)	Current Quarter Ended 30.09.2022 (RM'000)	30.06.2022 (RM'000)	Current Quarter Ended 30.09.2022 (RM'000)	30.06.2022 (RM'000)
Revenue	81,615	83,673	8,403	9,323	5,257	537
Profit/(Loss) Before Taxation	(6,896)	(6,188)	241	2,672	(693)	(881)

Courier Services

The total revenue generated from the courier services segment for the current quarter under review declined 2.5% and profit before taxation declined 11.4% as compared to immediate preceding quarter ended 30 June 2022 mainly due to stiff competition, weak market sentiment and low demand conditions in on-line business activities which had impacted the demand of express delivery services, and also due to increase in information technology (IT) operating expenses to enhance IT cyber-security system



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Logistics Services

The revenue from Logistics services segment for the current quarter decreased 9.9%, and profit before taxation decreased 91.0% respectively as compared to immediate preceding quarter ended 30 June 2022 was due to low demand in warehousing and logistics services as a results of weak market sentiment and low demand conditions in on-line business activities after resumed business operations of various retail business..

Others

Higher revenue in this segment basically contributed by the information technology segment from the newly acquired subsidiary companies. Loss incurred basically due to property maintenance cost incurred and discontinued in rental activities.

3. COMMENTARY ON PROSPECTS

The Group foresees that the challenges from competitive pricing, weak market sentiment, and low demand in the courier services and logistics industry will continue until the first half of next year. The Group will focus on driving greater cost optimisation and operational efficiency, products and services differentiation to grow the business activities.

The Group will expand its product offerings to enhance its GDEX 2.0 ecosystem via digital platforms for customers, as well as strengthen its IT infrastructure and intra-ASEAN delivery network. As for business expansion plans, the Group continues to explore potential business opportunities in the last mile and warehouse fulfilment space.

4. VARIANCE FROM PROFIT FORECAST

No profit forecast was issued during the financial quarter and period ended 30 September 2022 under review.

5. INCOME TAX EXPENSE

Taxation in respect of the current quarter and financial period ended 30 September 2022 comprises the following:

	Current Quarter		Current	
	Three Months Ended		Period Ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Income Tax:-				
Current quarter/period	162	(1,845)	(2,205)	(6,905)
Under-provision in previous quarter/period	-	-	-	-
	162	(1,845)	(2,205)	(6,905)
Deferred Tax:-				
Current quarter/period	849	53	5,449	41
Under-provision in previous quarter/period	-	-	-	-
	1,011	(1,792)	3,244	(6,864)



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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 2022 under review.

7. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced during the current quarter and period ended 30 September 2022 but not completed as at the reporting date.

8. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the following:

	As at 30.09.2022 (RM'000)	As at 30.09.2021 (RM'000)
Short term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	6,871	8,561
Borrowings		-
Long term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	5,553	7,803
Borrowings	1,859	2,238
Total borrowings	14,283	18,602

There was no unsecured debt during the current quarter and period ended 30 September 2022.

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 2022 under review.



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11. EARNINGS PER SHARE

i. Basic Earnings Per Share

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

	Current Quarter Three Months Ended		Current Period Ended	
	30.09.2022 (RM'000)	30.09.2021 (RM'000)	30.09.2022 (RM'000)	30.09.2021 (RM'000)
Net profit attributable to ordinary shareholders	(6,568)	9,468	(12,015)	21,414
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)	(0.12)	0.17	(0.21)	0.38

ii. Diluted Earnings Per Share

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

	Current Quarter Three Months Ended		Current Period Ended	
	30.09.2022 (RM'000)	30.09.2021 (RM'000)	30.09.2022 (RM'000)	30.09.2021 (RM'000)
Net profit attributable to ordinary shareholders	(6,568)	9,468	(12,015)	21,414
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
Adjustment for share warrants	(529,580,454)	(140,345,611)	(853,103,488)	(189,259,881)
Weighted average number of ordinary share in issue (units)	5,111,830,381	5,501,065,224	4,788,307,347	5,452,150,954
Basic Earnings per share (sen)	(0.13)	0.17	(0.25)	0.39



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12. AUDIT REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the 18-months period ended 31 December 2021 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 22 November 2022.

By Order of the Board

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

Selangor Darul Ehsan
Date: 22 November 2022