



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 4TH QUARTER AND YEAR ENDED 31 DECEMBER 2022

	Three Months Ended		Year Ended	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	102,574	103,571	383,269	418,907
Operating expenses	(107,684)	(92,765)	(409,512)	(389,734)
Other operating income	3,553	(421)	11,371	8,235
(Loss)/profit from operations	(1,557)	10,385	(14,872)	37,408
Finance costs	(1,652)	(1,109)	(4,410)	(4,161)
Share of post-tax profit of associated companies	(2,639)	1,651	(791)	5,615
(Loss)/profit before tax	(5,848)	10,927	(20,073)	38,862
Income tax expense	824	(3,709)	4,068	(10,573)
Net (loss)/profit for the year	(5,024)	7,218	(16,005)	28,289
Other comprehensive (loss)/income:				
Foreign currency translation differences for foreign operations	(1,789)	(92)	372	1,551
Re-measurements of post-employment benefits	-	(55)	-	(55)
Fair value adjustment on unquoted shares	(21)	-	(21)	-
	(1,810)	(147)	351	1,496
Total comprehensive (loss)/income for the year	(6,834)	7,071	(15,654)	29,785
Profit/(loss) attributable to				
Owners of the company	(6,009)	5,909	(18,024)	27,353
Non-controlling interest	985	1,309	2,019	936
	(5,024)	7,218	(16,005)	28,289
Comprehensive (loss)/income attributable to				
Owners of the company	(7,819)	5,762	(17,673)	28,849
Non-controlling interest	985	1,309	2,019	936
	(6,834)	7,071	(15,654)	29,785
Earnings per share :				
Basic EPS (sen)	(0.09)	0.13	(0.28)	0.50
Diluted EPS (sen)	(0.10)	0.13	(0.35)	0.52

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 31 DECEMBER 2022

	Unaudited 31.12.2022 (RM'000)	Audited 31.12.2021 (RM'000)
ASSETS		
Non-current Assets		
Property, plant and equipment	121,487	121,948
Right-of-use assets	124,820	85,424
Investment properties	-	2,605
Investment in associates	32,748	41,398
Goodwill arising from consolidation	29,647	3,249
Loan to an associate	-	1,000
Investment in redeemable convertible preference shares	-	500
Investment in quoted shares	83	-
Intangible assets	2,448	-
	311,233	256,124
Current Assets		
Inventories	2,833	1,847
Trade receivables	60,179	64,249
Other receivables and prepaid expenses	37,001	24,482
Loan to an associate	4,230	1,050
Tax recoverable	23,430	15,952
Short-term funds	19,305	93,927
Deposits with licensed banks	165,045	150,323
Cash and bank balances	42,240	29,946
	354,263	381,776
Total Assets	665,496	637,900
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	337,896	337,896
Treasury shares	(22,928)	(20,949)
Reserves	147,286	164,959
Non-controlling interests	27,649	14,418
Total Equity	489,903	496,324
Non-Current Liabilities		
Hire-purchase payables	4,017	5,819
Bank borrowings	2,513	1,583
Lease liabilities	92,308	47,843
Provision for retirement benefits	932	827
Deferred tax liabilities	3,173	9,165
Total Non-current Liabilities	102,943	65,237



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022
(cont'd)

	Unaudited 31.12.2022 (RM'000)	Audited 31.12.2021 (RM'000)
Current liabilities		
Trade payables	12,679	12,179
Other payables and accrued expenses	37,002	34,190
Hire-purchase payables	6,470	8,723
Bank borrowings	1,526	684
Lease liabilities	13,435	20,208
Provision for taxation	1,538	355
Total Current Liabilities	<u>72,650</u>	<u>76,339</u>
Total Liabilities	<u>175,593</u>	<u>141,576</u>
Total Equity And Liabilities	<u>665,496</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.



GDEX BERHAD (Registration No. 200301028159 (630579-A))
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE 4TH QUARTER AND YEAR ENDED 31 DECEMBER 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)	159,150	492,971	13,482	506,453
Profit for the year	-	-	-	27,353	27,353	936	28,289
Other comprehensive income	-	-	1,551	(55)	1,496	-	1,496
Total comprehensive income for the year	-	-	1,551	27,298	28,849	936	29,785
Shares repurchased	-	(17,494)	-	-	(17,494)	-	(17,494)
Dividends	-	-	-	(22,420)	(22,420)	-	(22,420)
	-	(17,494)	1,551	4,878	(11,065)	936	(10,129)
As of 31.12.2021 (Audited)	337,896	(20,949)	931	164,028	481,906	14,418	496,324



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE 4TH QUARTER AND YEAR ENDED 31 DECEMBER 2022
(cont'd)

	Issued Share capital (RM'000)	Treasury Shares (RM'000)	Non- distributable reserves- Translation reserve (RM'000)	Non- distributable reserves- Fair value 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 year	-	-	-	-	(18,024)	(18,024)	2,019	(16,005)
Other comprehensive (loss)/income	-	-	372	(21)	-	351	-	351
Total comprehensive (loss)/income for the year	-	-	372	(21)	(18,024)	(17,673)	2,019	15,654
Acquisition of subsidiaries	-	-	-	-	-	-	11,212	11,212
Shares repurchased	-	(1,979)	-	-	-	(1,979)	-	(1,979)
Dividends	-	-	-	-	-	-	-	-
	-	(1,979)	372	(21)	(18,024)	(19,652)	13,231	(6,421)
As of 31.12.2022 (Unaudited)	337,896	(22,928)	1,303	(21)	146,004	462,254	27,649	489,903

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 YEAR ENDED 31 DECEMBER 2022

	31.12.2022 (RM'000)	Year Ended 31.12.2021 (RM'000)
Cash flows from operating activities		
(Loss)/profit for the year	(16,005)	28,289
Adjustments for non-cash items	48,182	48,854
Operating profit before changes in working capital	32,177	77,143
(Increase)/Decrease in working capital		
Inventories	156	(172)
Receivables, deposits and prepayment	(1,046)	6,135
Payables and accruals	(1,791)	(1,900)
Cash generated from operations	29,496	81,206
Payment of retirement benefit	-	-
Income tax refunded	6	230
Income tax paid	(7,575)	(11,630)
Net cash from operating activities	21,927	69,806
Cash flows from investing activities		
Additions to property, plant and equipment*	(18,924)	(15,566)
Proceeds from disposal of property, plant and equipment	29	232
Acquisition of subsidiary companies, net of cash	(12,060)	-
Investment in quoted shares	(50)	-
Dividend income received from an associate	-	1,523
Loan to an associate	(4,230)	-
Interest received	3,784	3,248
Decreased / (Increased) in short term funds	76,000	8,991
Decreased / (Increased) in fixed deposit pledged with licensed bank	(23,223)	(16,709)
Net cash generated from/(used in) investing activities	21,326	(18,281)
Cash flows from financing activities		
Consideration paid for share repurchased	(1,979)	(17,494)
Net drawdown/(repayment) of bank borrowings	1,772	1,717
Net payment of hire purchase payables	(10,138)	(16,631)
Payment of lease liabilities	(29,003)	(17,459)
Finance costs paid	(792)	(6,067)
Dividends paid	-	(22,420)
Net cash used in financing activities	(40,140)	(78,354)
Net change in cash and cash equivalents	3,113	(26,829)
Effect of exchange difference	395	1,671
Cash and cash equivalents at beginning of year	52,041	37,947
Cash and cash equivalents at end of year	55,549	12,789



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022 (Cont'd)

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

	31.12.2022 (RM'000)	Year Ended 31.12.2021 (RM'000)
Purchase of :		
Property, plant and equipment	24,942	23,933
Financed by:		
Cash payments and other payables	18,924	15,566
Hire-purchase	6,018	8,367
	<u>24,942</u>	<u>23,933</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 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 (Bursa Malaysia). 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 9, MFRS 139, MFRS4, MFRS 7 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS116	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 MFRS Standards 2018 -2020
Amendments to References to the Conceptual Framework in MFRS Standards	

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 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 16	Lease Liability in a Sale and Leaseback ²
Amendments to MFRS 17	Insurance Contracts ¹



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Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information ¹
Amendments to MFRS 101	Disclosure of Accounting Policies ¹
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ¹
Amendments to MFRS 101	Non-current Liabilities with Covenants ¹
Amendments to MFRS 108	Definition of Accounting Estimates ¹
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

- ¹ Effective for annual years beginning on or after 1 January 2023.
² Effective for annual years beginning on or after 1 January 2024.
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 year 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 year ended 31 December 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 financial year ended 31 December 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 year ended 31 December 2022, except for the repurchased 14,457,300 of its issued ordinary shares by the company from the open market at prices ranging from RM0.110 to RM0.250 per share during the current financial year under review. The total consideration paid for the repurchases was RM1.979 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 total 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
12 months ended 31 December 2020	10,916,300	3,455,096	0.410	0.150	0.317
12 months ended 31 December 2021	49,400,000	17,494,234	0.400	0.295	0.354
	<u>60,316,300</u>	<u>20,949,330</u>			
January 2022	100,000	25,195	0.250	0.250	0.252
February 2022	300,000	73,923	0.250	0.240	0.246
March 2022	600,000	150,479	0.250	0.245	0.251
September 2022	500,000	57,949	0.115	0.115	0.116
October 2022	5,697,200	649,545	0.115	0.110	0.114
November 2022	2,000,000	251,200	0.125	0.125	0.126
December 2022	5,260,100	770,557	0.150	0.140	0.146
	<u>14,457,300</u>	<u>1,978,848</u>			
Total Shares Repurchased	<u>74,773,600</u>	<u>22,928,178</u>	0.410	0.110	0.307

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	<u>11,163</u>	<u>11,256</u>

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 Three Months Ended		Current Year Ended	
	31.12.2022 (RM'000)	31.12.2021 (RM'000)	31.12.2022 (RM'000)	31.12.2021 (RM'000)
Interest income	1,344	(301)	3,784	3,363
Dividend income	271	(995)	1,378	2,089
Other income	1,939	875	6,210	2,783
Interest expense	(1,652)	(1,109)	(4,410)	(4,161)
Depreciation and amortization	(14,081)	(12,437)	(53,151)	(46,989)
(Impairment)/reversal of impairment loss on trade receivables	(44)	153	(48)	147
Realised foreign exchange gain or loss	(64)	(22)	(50)	(134)
Bad debts written off	(141)	(127)	(141)	(127)
Bad debts recovered	-	1	-	1
Gain on lease termination and modification	2,707	226	2,707	226
Provision for retirement benefits	(107)	135	(107)	135
Property, plant and equipment written off	-	(78)	-	(78)
Provision for and write off of inventories	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 financial year ended 31 December 2022.

Operating Segments

	Segment Revenue		Segment Profit / (Loss)	
	Year Ended		Year Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Express delivery	333,416	377,308	(17,698)	32,107
Logistics	35,383	40,027	4,380	7,615
Others	14,470	1,572	(1,506)	(1,555)
Total	<u>383,269</u>	<u>418,907</u>	<u>(14,824)</u>	<u>38,167</u>
Finance costs			(4,410)	(4,161)
Reversal of impairment loss/(impairment loss) on trade receivables			(48)	(759)
Share of profit of associated company			<u>(791)</u>	<u>5,615</u>
(Loss)/profit before tax			<u>(20,073)</u>	<u>38,862</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	
	31.12.2022 (RM'000)	31.12.2021 (RM'000)
Segment Assets		
Express delivery	527,432	538,939
Logistics	39,985	34,445
Others	74,649	48,564
	<u>642,066</u>	<u>621,948</u>
Unallocated assets*		
Tax recoverable	23,430	15,952
	<u>665,496</u>	<u>637,900</u>
Segment Liabilities		
Express delivery	137,532	107,398
Logistics	23,791	23,228
Others	9,559	1,431
	<u>170,882</u>	<u>132,057</u>
Unallocated liabilities*		
Tax liabilities	1,538	355
Deferred tax liabilities	3,173	9,165
	<u>175,593</u>	<u>141,577</u>
Other Segment Information		
Additions to Non-current assets and		
Right-of-use assets		
- Express delivery	90,385	43,701
- Logistics	30,346	9,370
- Others	953	1,019
Depreciation and amortisation		
- Express delivery	40,688	36,730
- Logistics	9,712	8,082
- Others	<u>2,751</u>	<u>2,177</u>
	31.12.2022 (RM'000)	31.12.2021 (RM'000)

* 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 Year Ended		Carrying Amount of Segment Non-Current Assets As At	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Malaysia	315,430	359,085	297,148	246,789
Singapore	2,351	2,168	895	188
Vietnam	65,488	57,654	13,190	9,147
Total	383,269	418,907	311,233	256,124

10. MATERIAL EVENTS SUBSEQUENT TO END OF THE YEAR

Between the end of the financial year 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 year ended 31 December 2022, except for the subscribed of 680,244 new redeemable convertible preference shares ("RCPS") in Servedeck Innovation Sdn Bhd ("Servedeck"), for a total subscription price of RM2.160 million in January 2023.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter and financial year ended 31 December 2022 under review which including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations, except for the followings:-

- (i) The new acquisition of 51.0% shares equity in Sweetmag Solutions (M) Sdn Bhd ("Sweetmag") for a total consideration of RM 17.360 million. The acquisition has been completed on 31 May 2022 in accordance with the terms of the Share Sale & Purchase Agreement and the Share Subscription Agreement. Sweetmag has now becomes a 51.0% subsidiary company of the Company.
- (ii) The additional acquisition of 5.31% shares 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 38.0% subsidiary company of the Company.
- (iii) The new acquisition of 60.0% shares equity in Anon Security Sdn Bhd ("Anon Security") for a total consideration of RM1.20 million. The acquisition has been completed on 27 October 2022 in accordance with the terms of the Shareholders Agreement and the Share Subscription Agreement. Anon Security has now becomes a 60.0% subsidiary company of the Company.



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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 year ended 31 December 2022 under review.

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	
	31.12.2022 (RM'000)	31.12.2021 (RM'000)	31.12.2022 (RM'000)	31.12.2021 (RM'000)
<u>Revenue</u>				
Provision of express delivery services				
- Quantium Solutions				
International(Malaysia) Sdn Bhd	676	1,037	462	767
- Yamato Transport (M) Sdn Bhd.	31	9	21	7
- Yamato Transport (S) Pte. Ltd.	4,134	2	1,765	13
<u>Interest income</u>				
- Web Bytes Sdn Bhd	-	17	-	17
<u>Expenses</u>				
Provision for advisory services				
- Yamato Transport Co., Ltd	(30)	(30)	(11)	(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 31 December 2022 versus the Corresponding Quarter Ended 31 December 2021

Group Performance

	Current Quarter Three Months Ended		Current Year Ended	
	31.12.2022 (RM'000)	31.12.2021 (RM'000)	31.12.2022 (RM'000)	31.12.2021 (RM'000)
Revenue	102,574	103,571	383,269	418,907
(Loss)/Profit Before Taxation	(5,848)	10,927	(20,073)	38,862

Group revenue for the current quarter and year ended 31 December 2022 reported at RM 102.6 million and the Group loss before tax reported at RM 5.8 million, declined 1.0% and 153.5% respectively.

Segmental Performance

	Courier Services Current Quarter Ended		Logistics Services Current Quarter Ended		Others* Current Quarter Ended	
	31.12.2022 (RM'000)	31.12.2021 (RM'000)	31.12.2022 (RM'000)	31.12.2021 (RM'000)	31.12.2022 (RM'000)	31.12.2021 (RM'000)
Revenue	86,047	93,222	8,166	10,301	8,361	48
Profit/(loss) Before Taxation	(6,631)	8,652	(30)	2,847	813	(572)

Courier Services

The revenue and loss before taxation reported in the courier services segment for the current quarter ended 31 December 2022 reported at RM 86.0 million and RM 6.6 million, declined 7.7% and 176.6% respectively as compared to corresponding quarter ended 31 December 2021 primarily contributed by declined in revenue following the low demand in on-line business activities had caused the dropped in overall parcel volume especially from the accelerated insourcing and “masking” (where merchants cannot choose their preferred courier providers) by major e-commerce (B2C) players, stiff competition from the aggressive pricing practices, and also the weak market sentiment. Besides, the decline in profit also due to increase in information technology (IT) operating expenses to enhance IT cyber-security system, IT system maintenance and IT infrastructure enhancement, as well as increased in hub maintenance and operating costs.



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Logistics Services

The revenue of the segment decreased 20.7% to RM8.2 million and reported a loss before taxation of RM 0.03 million as compared to corresponding quarter ended 31 December 2021 mainly due to low demand in on-line business activities after the business operations of various retail business resumed. Besides, the decline in profit before tax also due to slow pace of business activities of the warehousing customers as well as increase in warehouse maintenance and operating cost, especially the amortization of ROU as a result of leased of additional warehouse space to cater for business expansion.

*Others

The other segment comprise of information technology, property management, insurance agent services and dormant companies of the group. The revenue and profit before taxation reported in this other segment recorded at RM 8.3 million and RM 0.8 million. The higher revenue in this segment basically contributed by the information technology segment from the newly acquired subsidiary companies.

2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

Group Performance

	31.12.2022 (RM'000)	3 Months Ended 30.09.2022 (RM'000)
Revenue	102,574	95,275
Profit Before Taxation	(5,848)	(7,348)

The Group revenue increased 7.7% and loss before taxation reduced 20.4% for the current quarter under review as compared to the immediate preceding quarter ended 30 September 2022. Decreased in loss before taxation primarily contributed by improved in revenue in courier service and others segments following the increase in volume in the overall parcels in the month of December 2022, as well as the revenue contributed by Information Technology Segment from the newly acquired Tech-Group subsidiary companies. Besides, the Group is also enhance its operation efficiency for better cost control and monitoring.

Segmental Performance

	Courier Services		Logistics Services		Others*	
	Current Quarter Ended 31.12.2022 (RM'000)	Current Quarter Ended 30.09.2022 (RM'000)	Current Quarter Ended 31.12.2022 (RM'000)	Current Quarter Ended 30.09.2022 (RM'000)	Current Quarter Ended 31.12.2022 (RM'000)	Current Quarter Ended 30.09.2022 (RM'000)
Revenue	86,047	81,615	8,166	8,403	8,361	5,257
Profit/(Loss) Before Taxation	(6,631)	(6,896)	(30)	241	813	(693)



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Courier Services

The total revenue generated from the courier services segment for the current quarter under review improved 5.4% and loss before taxation reduced 3.8% as compared to immediate preceding quarter ended 30 September 2022 mainly due to increase in volume following the higher demand conditions in the month of December 2022, and also the cost monitoring and control.

Logistics Services

The revenue from Logistics services segment for the current quarter decreased 2.8%, and reported a loss before taxation of RM0.03 million, decreased of 112.4% as compared to immediate preceding quarter ended 30 September 2022 mainly due to low demand in on-line business activities after the business operations of various retail business resumed. Besides, the decline in profit before tax also due to slow pace of business activities of the warehousing customers as well as increase in warehouse maintenance and operating cost, especially the amortization of ROU as a result of leased of additional warehouse space to cater for business expansion.

***Others**

Higher revenue in this segment basically contributed by the information technology segment from the newly acquired subsidiary companies. Better profit reported basically due to earnings from the newly acquired subsidiaries.

3. COMMENTARY ON PROSPECTS

The Group foresees that the challenges from competitive pricing, weak market sentiment and low demand conditions in the courier services and logistics industry will continue. 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 better customers' experiences, as well as strengthen its IT infrastructure and intra-ASEAN delivery network. As for business expansion, the Group continues to explore potential business opportunities in the last mile, warehouse fulfilment and technology businesses.

4. VARIANCE FROM PROFIT FORECAST

No profit forecast was issued during the quarter and financial year ended 31 December 2022 under review.



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5. INCOME TAX EXPENSE

Taxation in respect of the current quarter and financial year ended 31 December 2022 comprises the following:

	Current Quarter		31.12.2022 (RM'000)	Year Ended 31.12.2021 (RM'000)
	Three Months Ended			
	31.12.2022 (RM'000)	31.12.2021 (RM'000)		
Income Tax:-				
Current quarter/year	(746)	(1,689)	(2,951)	(8,594)
Under-provision in previous quarter/period	734	(383)	734	(383)
	(12)	(2,072)	(2,217)	(8,977)
Deferred Tax:-				
Current quarter/year	839	(941)	6,288	(900)
Under-provision in previous quarter/period	(3)	(696)	(3)	(696)
	824	(3,709)	4,068	(10,573)

6. UTILISATION OF PROCEEDS

The Group has not raised any proceeds from any of its corporate exercise during the current quarter and financial year ended 31 December 2022 under review.

7. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced during the current quarter and financial year ended 31 December 2022 but not completed as at the reporting date.

8. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the following:

	As at 31.12.2022 (RM'000)	As at 31.12.2021 (RM'000)
Denominated in Ringgit Malaysia		
Short term borrowings (secured):		
Hire purchase payables	6,470	8,723
Borrowings	1,526	684
Long term borrowings (secured):		
Hire purchase payables	4,017	5,819
Borrowings	2,513	1,583
Total borrowings	14,526	16,809

There was no unsecured debt during the current quarter and financial year ended 31 December 2022.



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9. MATERIAL LITIGATION

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

10. DIVIDEND

The Directors of the Company proposed a final single tier dividend of 0.15 sen per share amounting to approximately RM8.5 million in respect of the current financial year ended 31 December 2022. The proposed dividend, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, has not been included as a liability in the financial statements.

Save as disclosed above, there were no other dividends declared during the current quarter and financial year ended 31 December 2022 under review.

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 year.

	Current Quarter Three Months Ended		Year Ended	
	31.12.2022 (RM'000)	31.12.2021 (RM'000)	31.12.2022 (RM'000)	31.12.2021 (RM'000)
Net profit attributable to ordinary shareholders	(5,024)	7,218	(16,005)	28,289
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)	(0.09)	0.13	(0.28)	0.50



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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		31.12.2022 (RM'000)	Year Ended 31.12.2021 (RM'000)
	31.12.2022 (RM'000)	31.12.2021 (RM'000)		
Net profit attributable to ordinary shareholders	(5,024)	7,218	(16,005)	28,289
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)	(1,006,203,573)	(189,259,881)
Weighted average number of ordinary share in issue (units)	5,111,830,381	5,501,065,224	4,635,207,262	5,452,150,954
Basic Earnings per share (sen)	(0.10)	0.13	(0.35)	0.52

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 28 February 2023.

By Order of the Board

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

Selangor Darul Ehsan
Date: 28 February 2023