



**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 30 JUNE 2023**

	Three Months Ended (Unaudited)		Current Period To-Date (Unaudited)	
	30.06.2023 (RM'000)	30.06.2022 (RM'000)	30.06.2023 (RM'000)	30.06.2022 (RM'000)
Revenue	95,075	93,533	193,559	185,420
Operating expenses	(106,692)	(100,372)	(213,195)	(196,090)
Other operating income	2,103	2,868	4,546	4,262
Operating loss	(9,514)	(3,971)	(15,090)	(6,408)
Finance costs	(1,318)	(680)	(2,593)	(1,712)
Share of post-tax profit of associated companies	102	254	153	1,243
Loss before tax	(10,730)	(4,397)	(17,530)	(6,877)
Income tax expense	(537)	1,275	(740)	2,233
Net loss for the period	(11,267)	(3,122)	(18,270)	(4,644)
Other comprehensive (loss)/income:				
Foreign currency translation differences for foreign operations	2,136	825	2,742	1,109
	2,136	825	2,742	1,109
Total comprehensive loss for the period	(9,131)	(2,297)	(15,528)	(3,535)
Loss attributable to: -				
Owners of the company	(11,345)	(3,548)	(18,555)	(5,447)
Non-controlling interest	78	426	285	803
	(11,267)	(3,122)	(18,270)	(4,644)
Comprehensive loss attributable to: -				
Owners of the company	(9,209)	(2,723)	(15,813)	(4,338)
Non-controlling interest	78	426	285	803
	(9,131)	(2,297)	(15,528)	(3,535)
Earnings per share: -				
Basic EPS (sen)	(0.2)	(0.07)	(0.3)	(0.10)
Diluted EPS (sen)	(0.2)	(0.07)	(0.4)	(0.11)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.



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

	<b>Unaudited 30.06.2023 (RM'000)</b>	<b>Audited 31.12.2022 (RM'000)</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	133,692	121,502
Intangible assets	1,996	2,339
Right-of-use assets	120,936	124,820
Investment in associates	33,738	33,585
Investment in redeemable convertible preference shares	2,160	-
Goodwill arising from consolidation	29,173	29,173
Other investments	83	83
	<u>321,778</u>	<u>311,502</u>
<b>Current Assets</b>		
Inventories	3,850	2,833
Trade receivables	56,060	60,170
Other receivables and prepaid expenses	34,631	37,405
Loan to an associate	3,732	4,230
Tax recoverable	14,539	23,425
Short-term funds	-	19,404
Deposits with licensed banks	160,980	164,771
Cash and bank balances	50,961	42,514
	<u>324,753</u>	<u>354,752</u>
<b>Total Assets</b>	<u>646,531</u>	<u>666,254</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	337,896	337,896
Treasury shares	(27,634)	(22,928)
Reserves	132,234	148,047
Non-controlling interests	27,479	27,194
<b>Total Equity</b>	<u>469,975</u>	<u>490,209</u>
<b>Non-Current Liabilities</b>		
Hire-purchase payables	837	4,020
Bank borrowings	3,558	2,512
Lease liabilities	83,882	92,309
Provision for restoration costs	876	636
Provision for retirement benefits	936	932
Deferred tax liabilities	2,167	3,147
<b>Total Non-current Liabilities</b>	<u>92,256</u>	<u>103,556</u>



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023**  
(cont'd)

	<b>Unaudited 30.06.2023 (RM'000)</b>	<b>Audited 31.12.2022 (RM'000)</b>
<b>Current liabilities</b>		
Trade payables	14,202	12,712
Other payables and accrued expenses	43,970	36,638
Provision for restoration costs	-	147
Hire-purchase payables	6,398	6,467
Bank borrowings	-	1,526
Lease liabilities	18,536	13,435
Provision for taxation	1,194	1,564
<b>Total Current Liabilities</b>	<u>84,300</u>	<u>72,489</u>
<b>Total Liabilities</b>	<u>176,556</u>	<u>176,045</u>
<b>Total Equity and Liabilities</b>	<u>646,531</u>	<u>666,254</u>
Net Assets per share attributable to owners of the company (RM)	<u>0.08</u>	<u>0.09</u>

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



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Issued Share capital (RM'000)	Treasury Shares (RM'000)	Non- distributable reserves- Translation reserve (RM'000)	Distributable reserve – Retained earnings (RM'000)	Attributable to the owners of the parent (RM'000)	Non-controlling interests (RM'000)	Total (RM'000)
<b>As of 01.01.2022</b>	337,896	(20,949)	931	164,028	481,906	14,418	496,324
(Loss)/profit for the period	-	-	-	(5,447)	(5,447)	803	(4,644)
Other comprehensive (loss)/income	-	-	1,109	-	1,109	-	1,109
<b>Total comprehensive (loss)/income for the period</b>	-	-	1,109	(5,447)	(4,338)	803	(3,535)
Acquisition of a subsidiary	-	-	-	-	-	3,860	3,860
Shares repurchased	-	(250)	-	-	(250)	-	(250)
	-	(250)	1,109	(5,447)	(4,588)	4,663	75
<b>As of 30.06.2022 (Unaudited)</b>	337,896	(21,199)	2,040	158,581	477,318	19,081	496,399



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**  
(cont'd)

	Issued Share capital (RM'000)	Treasury Shares (RM'000)	Non- distributable reserves- Translation reserve (RM'000)	Distributable reserve – Retained earnings (RM'000)	Attributable to the owners of the parent (RM'000)	Non-controlling interests (RM'000)	Total (RM'000)
<b>As of 01.01.2023</b>	337,896	(22,928)	1,287	146,760	463,015	27,194	490,209
(Loss)/profit for the period	-	-	-	(18,555)	(18,555)	285	(18,270)
Other comprehensive (loss)/income	-	-	2,742	-	2,742	-	2,742
<b>Total comprehensive (loss)/income for the period</b>	-	-	2,742	(18,555)	(15,813)	-	(15,528)
Shares repurchased	-	(4,706)	-	-	(4,706)	-	(4,706)
	-	(4,706)	2,742	(18,555)	(20,519)	285	(20,234)
<b>As of 30.06.2023 (Unaudited)</b>	337,896	(27,634)	4,029	128,205	442,496	27,479	469,975

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



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

	<b>30.06.2023</b>	<b>Current Quarter Ended 30.06.2022</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>Cash flows from operating activities</b>		
Loss for the period	(18,270)	(4,644)
Adjustments for non-cash items	28,682	21,757
<b>Operating profit before changes in working capital</b>	<b>10,412</b>	<b>17,113</b>
<b>(Increase)/decrease in working capital</b>		
Inventories	(1,018)	(399)
Receivables, deposits and prepayment	5,918	3,171
Payables and accruals	8,604	(5,024)
<b>Cash generated from operations</b>	<b>23,916</b>	<b>14,861</b>
Income tax refund	10,258	6
Income tax paid	(3,462)	(7,002)
Retirement benefit paid	-	(5)
<b>Net cash from operating activities</b>	<b>30,712</b>	<b>7,860</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(25,542)	(5,612)
Acquisition of intangible assets	(132)	-
Investment in redeemable convertible preference shares	(2,160)	-
Proceeds from disposal of property, plant and equipment	11	13
Repayment/(addition) of loan from related party	498	500
Acquisition of a subsidiary, net of cash	-	(4,398)
Interest received	3,276	1,588
Decreased in short term funds	19,569	5,000
(Increased) / decreased in fixed deposit pledged with licensed bank	(19,245)	13,732
<b>Net cash (used in)/generating from investing activities</b>	<b>(23,725)</b>	<b>10,823</b>
<b>Cash flows from financing activities</b>		
Consideration paid for share repurchased	(4,706)	(250)
Net repayment of bank borrowings	(480)	(279)
Net payment of hire purchase payables	(3,252)	(5,737)
Payment of lease liabilities	(14,985)	(13,513)
Finance costs paid	(344)	(382)
Dividends paid	-	-
<b>Net cash used in financing activities</b>	<b>(23,767)</b>	<b>(20,161)</b>
<b>Net change in cash and cash equivalents</b>	<b>(16,780)</b>	<b>(1,478)</b>
Effect of exchange difference	2,191	776
<b>Cash and cash equivalents at beginning of period</b>	<b>105,781</b>	<b>52,041</b>
<b>Cash and cash equivalents at end of period</b>	<b>91,192</b>	<b>51,339</b>



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (Cont'd)**

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

	<b>30.06.2023</b> <b>(RM'000)</b>	<b>Current Quarter</b> <b>Ended</b> <b>30.06.2022</b> <b>(RM'000)</b>
<b>Purchase of:</b>		
Property, plant and equipment	25,542	10,851
<b>Financed by:</b>		
Cash payments and other payables	25,542	5,612
Hire-purchase	-	5,239
	<u>25,542</u>	<u>10,851</u>

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



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## **PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”)**

### **1. BASIS OF PREPARATION**

This unaudited condensed consolidated interim financial statement has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. This condensed consolidated interim financial statement also complies with International Accounting Standard 34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB). The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its audited consolidated financial statements for the financial year ended 31 December 2022.

#### **Adoption of New and Revised Malaysian Financial Reporting Standards (“MFRSs”)**

In the current financial period, the Group have applied the following Amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatorily effective for accounting periods that begin on or after 1 January 2023 as follows:

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

The adoption of these standards, amendments to MFRSs and IC Interpretation did not result in significant changes in the accounting policies of the Group and have no significant effect on the financial statements of the Group in the period of initial application.

#### **Standards and Amendments in Issue but Not Yet Effective**

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

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>





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

The directors anticipate that the abovementioned standards and amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these MFRSs and Amendments to MFRSs may have an impact on the financial statements of the Group in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect of the said Standards until the Group undertakes a detailed review.

### 3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's main business operations primarily cover the express delivery and logistics services. The said revenue of the Group will normally be affected by the numerous public and festive holidays, if any, during the current quarter and financial period ended 30 June 2023 under review.

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

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the current quarter and period ended 30 June 2023 under review.

### 5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect on the current quarter and period ended 30 June 2023 under review.

### 6. DEBTS AND EQUITY SECURITIES

There were no issuances or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current quarter and financial period ended 30 June 2023 under review, except for the following: -

Repurchased 3,316,400 of its issued ordinary shares by the company from the open market at prices ranging from RM0.195 to RM0.210 per share. The total consideration paid for the repurchases was RM0.671 million and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia. The details of shares repurchased are as follows: -

	Number of Shares	Total Consideration RM	Purchase price per share		
			Highest RM	Lowest RM	Average RM
April 2023	1,596,400	325,379.04	0.210	0.195	0.204
May 2023	1,720,000	345,651.20	0.200	0.200	0.201
	<u>3,316,400</u>	<u>671,030.24</u>	<u>0.210</u>	<u>0.195</u>	<u>0.202</u>



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## 7. DIVIDEND PAID

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

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

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

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

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

	<b>Current Quarter Three Months Ended</b>		<b>Current Period Ended</b>	
	<b>30.06.2023 (RM'000)</b>	<b>30.06.2022 (RM'000)</b>	<b>30.06.2023 (RM'000)</b>	<b>30.06.3022 (RM'000)</b>
Interest income	1,622	841	3,276	1,588
Dividend income	55	345	164	688
Other income	427	1,682	1,107	1,987
Interest expense	(1,318)	(680)	(2,593)	(1,712)
Depreciation and amortization	(14,028)	(13,228)	(27,984)	(25,966)
Reversal of Impairment loss/(impairment loss) on trade receivables	(541)	(70)	(946)	98
Realised/Unrealised foreign exchange gain or (loss)	3	17	39	19
Provision for retirement benefits	N/A	N/A	N/A	N/A
Provision for and write off of inventories	N/A	N/A	N/A	N/A
Property, plant and equipment written off	N/A	N/A	N/A	N/A
Impairment of property, plant and equipment	N/A	N/A	N/A	N/A
Exceptional items	N/A	N/A	N/A	N/A



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## 9. OPERATING SEGMENTS

The Group has three (3) reportable business segments and operates predominantly in Malaysia, Singapore and Vietnam as described below, which are the Group's strategic business units. The strategic business units offer different services, and are managed separately because they require different resources management and marketing strategies. (\*) Other segments included insurance agent services, property management and dormant companies where its 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 period ended 30 June 2023.

### Operating Segments

	Segment Revenue Period Ended		Segment Profit / (Loss) Period Ended	
	30.06.2023 (RM'000)	30.06.2022 (RM'000)	30.06.2023 (RM'000)	30.06.2022 (RM'000)
Express delivery	162,984	165,754	(10,916)	(9,049)
Logistics	15,448	18,814	(1,667)	4,169
Information technology	14,852	384	(405)	15
Others*	275	468	(1,156)	(1,641)
Total	<u>193,559</u>	<u>185,420</u>	<u>(14,144)</u>	<u>(6,506)</u>
Finance costs			(2,593)	(1,712)
(Impairment loss) / Reversal of impairment loss on trade receivables			(946)	98
Share of profit of associated company			153	1,243
Loss before tax			<u>(17,530)</u>	<u>(6,877)</u>

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



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

	<b>Carrying Amount of Segment Assets And Liabilities As At</b>	
	<b>30.06.2023 (RM'000)</b>	<b>30.06.2022 (RM'000)</b>
<b>Segment Assets</b>		
Express delivery	521,554	438,642
Logistics	36,903	30,861
Information technology	29,372	5,422
Others	44,163	132,829
	<u>631,992</u>	<u>607,754</u>
Unallocated corporate assets		
- Tax recoverable	14,539	20,972
	<u>646,531</u>	<u>628,726</u>
<b>Segment Liabilities</b>		
Express delivery	145,716	108,217
Logistics	18,254	16,542
Information technology	8,594	1,065
Others	631	1,265
	<u>173,195</u>	<u>127,089</u>
Unallocated liabilities		
- Tax liabilities	1,194	656
- Deferred tax liabilities	2,167	4,582
	<u>176,556</u>	<u>132,327</u>
	<b>30.06.2023 (RM'000)</b>	<b>30.06.2022 (RM'000)</b>
<b>Other Segment Information</b>		
Additions to Non-current assets		
- Express delivery	22,904	9,537
- Logistics	1,624	1,004
- Information technology	1,014	10
- Others	-	299
Depreciation and amortisation		
- Express delivery	19,544	20,287
- Logistics	6,500	4,485
- Information technology	971	23
- Others	969	1,171

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	
	30.06.2023 (RM'000)	30.06.2022 (RM'000)	30.06.2023 (RM'000)	30.06.2022 (RM'000)
Malaysia	159,741	152,499	307,774	251,737
Singapore	2,442	656	824	87
Vietnam	31,376	32,265	13,180	10,270
Total	193,559	185,420	321,778	262,094

#### 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 June 2023.

#### 11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter and financial period ended 30 June 2023 under review which includes business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations except for the following: -

On 6 January 2023, the Company had entered into a subscription agreement with Servedeck Innovation Sdn. Bhd. ("Servedeck") to subscribe for 680,244 units of Seed B redeemable convertible preference shares ("Seed B RCPS") at total subscription price of RM2,160,000. On 13 January 2023, the Company completed the subscription of the said Seed B RCPS upon fulfilment of condition precedent. The said RCPS carried the right to receive a cumulative preference dividend accrued in the balance sheet of Servedeck payable in arrears until the maturity date, which shall be calculated at the rate of 3% per annum based on the subscription price per RCPS.

The Seed B RCPS is convertible into 10% of fully paid and issued unencumbered ordinary shares in the enlarged issued and paid-up share capital of Servedeck on a fully diluted basis upon Servedeck had achieved RM4,000,000 revenue at any point of time. If Servedeck is unable to achieve RM4,000,000 revenue by 31 December 2023, Servedeck will refund 20% of the subscription price in cash to the Company within 3 months. Upon maturity date of 13 January 2025, the Company has the option to either convert or redeem the RCPS.

#### 12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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



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### 13. CAPITAL COMMITMENTS

All capital commitments undertaken have been included in the financial statements for the current quarter and period ended 30 June 2023 under review.

### 14. RELATED PARTY TRANSACTIONS

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

	Transaction Value		Balance Outstanding	
	Three Months Ended		As At	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b><u>Revenue</u></b>				
Provision of express delivery services				
- Singapore Post Limited	-	1	-	1
- Quantum Solutions International (Malaysia) Sdn. Bhd.	380	506	196	339
- Yamato Transport (M) Sdn. Bhd.	52	8	34	7
- Yamato Transport (S) Pte. Ltd.	2,195	1	3,195	(11)
<b><u>Interest income</u></b>				
- Web Bytes Sdn. Bhd.	-	20	-	6
<b><u>Expenses</u></b>				
Provision for advisory services				
- Yamato Transport Co., Ltd	(30)	(30)	(11)	(10)

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**1. REVIEW OF PERFORMANCE**

**Performance for the Current Quarter Ended 30 June 2023 versus the Corresponding Quarter Ended 30 June 2022**

**Group Performance**

	Current Quarter Three Months Ended		Current Period Ended	
	30.06.2023 (RM'000)	30.06.2022 (RM'000)	30.06.2023 (RM'000)	30.06.2022 (RM'000)
Revenue	95,075	93,533	193,559	185,420
Profit Before Taxation	(10,730)	(4,397)	(17,530)	(6,877)

Group revenue for the current quarter and period ended 30 June 2023 is reported at RM95.1 million, an increase of 1.6%. This was mainly contributed by the Information Technology Segment, which is a new Segment of the Group. The current quarter's loss before tax increased in loss of 144.0% to RM10.7 million, as compared to the corresponding quarter ended 30 June 2022.

**Segmental Performance**

	Revenue Quarter Ended		Profit /(Loss) Before Taxation Quarter Ended	
	30.06.2023 (RM'000)	30.06.2022 (RM'000)	30.06.2023 (RM'000)	30.06.2022 (RM'000)
Courier Services	79,173	83,673	(9,060)	(6,133)
Logistics Services	7,811	9,323	(931)	2,669
Information Technology	7,976	384	(112)	15
Others	115	153	(627)	(948)
	95,075	93,533	(10,730)	(4,397)

**Courier Services**

The revenue reported in the Courier Services segment for the current quarter ended 30 June 2023 decreased 5.4%, mainly due to decrease in demand in the B2B and C2C business activities, while the loss before tax increased 47.7% mainly due to the impact of minimum wage pressure, higher operating cost incurred in the initial stage of the Group's automated hub operations, as well as increased IT maintenance costs, compared to the corresponding quarter ended 30 June 2022.



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### Logistics Services

The revenue of the Logistics Segment declined 16.2% and loss before tax decreased 134.9% for the current quarter ended 30 June 2023 as compared to the revenue and profit before tax reported in the corresponding quarter ended 30 June 2022. This was mainly due to low logistics and warehousing activities as a result of low demand in online business activities after the business operations of various retail businesses resumed, slow pace of business activities of the warehousing customers, as well as increase in warehouse maintenance and operating cost, especially for the amortization of ROU as a result of leased additional warehouse space to build capacity and cater for business expansion in the near future.

### Information Technology

The revenue of the segment was mainly contributed by systems & website development and software distribution. The higher revenue reported in Information Technology segment for the current quarter under review was mainly due to revenue from two new technology companies that were acquired in the second half of the previous financial year ended 31 December 2022, as compared to corresponding quarter ended 30 June 2022. Loss before taxation in the Information Technology Segment was mainly due to higher IT start-up operating and maintenance costs.

### Others

The Others segment includes dormant companies, property management and insurance agent business activities. The loss before tax was mainly due to the property maintenance cost incurred and discontinued rental activities.

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

### Group Performance

	30.06.2023 (RM'000)	3 Months Ended 31.03.2023 (RM'000)
Revenue	95,075	98,484
Loss Before Taxation	(10,730)	(6,800)

The Group's revenue declined 3.5% and loss before taxation increased 57.8% for the current quarter under review as compared to the immediate preceding quarter ended 31 March 2023. This was mainly contributed by a decline in demand for courier and logistics services as a result of the low demand in online business activities following the resumption of retail business operations, slow pace of business activities of the warehousing customers, as well as increase in warehouse and IT maintenance and operating costs.





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### Segmental Performance

	Revenue		Profit /(Loss)	
	Quarter Ended		Before Taxation	
	30.06.2023	31.03.2023	30.06.2023	31.03.2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Courier Services	79,173	83,811	(9,060)	(4,671)
Logistics Services	7,811	7,637	(931)	(1,165)
Information Technology	7,976	6,876	(112)	(293)
Others	115	160	(627)	(671)
	95,075	98,484	(10,730)	(6,800)

#### Courier Services

The total revenue generated from the Courier Services segment for the current quarter under review declined 5.5% and loss before taxation increased 94.0% as compared to the immediate preceding quarter ended 31 March 2023. This was as a result of the decline in the demand of courier services due to the low demand in online business activities following the resumption of retail business operations.

#### Logistics Services

The revenue reported in the Logistics Services segment for the current quarter increased 2.3%, mainly contributed by the income derived from transportation services. The segment's loss before taxation reduced 20.1% as compared to the immediate preceding quarter ended 31 March 2023 mainly due to a decline in warehouse operating costs, such as manpower and supplies costs as a result of low warehousing activities.

#### Information Technology

The revenue from Information Technology services segment for the current quarter increased 16.0% while loss before taxation decreased 61.8% as compared to the immediate preceding quarter ended 31 March 2023, due to an increase in revenue from system & website development, software customization and distribution.

#### Others

The Others segment include dormant companies, property management and insurance agent business activities. The loss before tax was mainly due to property maintenance cost incurred.



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### 3. COMMENTARY ON PROSPECTS

The outlook of the courier services and logistics industry is expected to remain challenging due to intense price competition, weakened private consumption and poor market sentiment.

The Group will focus on driving productivity through improvements in operational and cost efficiencies. We will continue to enhance customer experiences to grow our business activities and expand our network regionally.

### 4. VARIANCE FROM PROFIT FORECAST

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

### 5. INCOME TAX EXPENSE

Taxation in respect of the current quarter and financial period ended 30 June 2023 comprises the following:

	Current Quarter Three Months Ended		Current Period Ended	
	30.06.2023 (RM'000)	30.06.2022 (RM'000)	30.06.2023 (RM'000)	30.06.2022 (RM'000)
Income Tax: -				
Current quarter/period	936	1,211	1,720	2,367
Under-provision in previous quarter/period	-	-	-	-
	<u>936</u>	<u>1,211</u>	<u>1,720</u>	<u>2,367</u>
Deferred Tax: -				
Current quarter/period	(399)	(2,486)	(980)	(4,600)
Under-provision in previous quarter/period	-	-	-	-
	<u>537</u>	<u>(1,275)</u>	<u>740</u>	<u>(2,233)</u>

### 6. UTILISATION OF PROCEEDS

The Group has not raised any proceeds from any of its corporate exercise during the current quarter and period ended 30 June 2022 under review.

### 7. STATUS OF CORPORATE PROPOSALS

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



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## 8. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the following:

	<b>As at 30.06.2023 (RM'000)</b>	<b>As at 30.06.2022 (RM'000)</b>
<b>Short term borrowings (secured):</b>		
<b>Denominated in Ringgit Malaysia</b>		
Hire purchase payables	6,398	7,538
Borrowings	-	-
<b>Long term borrowings (secured):</b>		
<b>Denominated in Ringgit Malaysia</b>		
Hire purchase payables	837	6,570
Borrowings	3,558	1,988
<b>Total borrowings</b>	<b>10,793</b>	<b>16,096</b>

There was no unsecured debt during the current quarter and period ended 30 June 2023.

## 9. MATERIAL LITIGATION

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

## 10. DIVIDEND

There were no dividends declared during the current quarter and financial period ended 30 June 2023 under review.



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## 11. EARNINGS PER SHARE

### i. Basic Earnings Per Share

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

	Current Quarter Three Months Ended		Current Period Ended	
	30.06.2023 (RM'000)	30.06.2022 (RM'000)	30.06.2023 (RM'000)	30.06.2022 (RM'000)
Net profit attributable to ordinary shareholders	(11,345)	(3,548)	(18,555)	(5,447)
Weighted average number of ordinary shares in issue (units)	5,590,614,835	5,641,410,835	5,548,174,185	5,641,410,835
Basic Earnings per share (sen)	(0.2)	(0.07)	(0.3)	(0.10)

### ii. Diluted Earnings Per Share

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

	Current Quarter Three Months Ended		Current Period Ended	
	30.06.2023 (RM'000)	30.06.2022 (RM'000)	30.06.2023 (RM'000)	30.06.2022 (RM'000)
Net profit attributable to ordinary shareholders	(11,345)	(3,548)	(18,555)	(5,447)
Weighted average number of ordinary shares in issue (units)	5,590,614,835	5,641,410,835	5,548,174,185	5,641,410,835
Adjustment for share warrants	(1,012,141,466)	(529,580,454)	(1,000,450,762)	(668,738,559)
Weighted average number of ordinary shares in issue (units)	4,578,473,369	5,111,830,381	4,547,723,423	4,972,672,276
Basic Earnings per share (sen)	(0.2)	(0.07)	(0.4)	(0.11)



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**12. AUDIT REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report of the Group's annual financial statements for the financial year ended 31 December 2022 was not subject to any audit qualification.

**13. AUTHORISATION FOR ISSUE**

The Unaudited Condensed Interim Financial Statements were authorized for issue by the Board in accordance with a resolution of the Directors on 28 August 2023.

By Order of the Board

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

Selangor Darul Ehsan  
Date: 28 August 2023