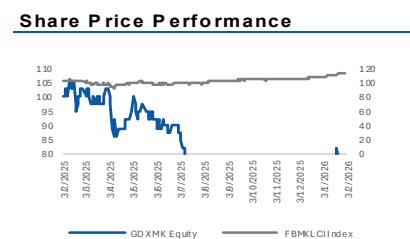


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Recommendation:	BUY
Current Price:	RM 0.14
Previous Target Price:	N/A
Target Price:	RM 0.20 ↑
Capital Upside/ Downside:	47.5%
Dividend Yield (%):	2.2%
<b>Total Upside/ Downside</b>	<b>49.8%</b>

Stock Information	
Board	MAIN
Sector	Transportation & Logistics
Bursa / Bloomberg Code	0078 / GDXMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares Issued (m)	5.514.3
Market Cap (RM' m)	744.4
52-Week Price Range (RM)	0.2-0.085
Beta (x)	1.2
Free float (%)	23.8
3M Average Volume (m)	1.4
3M Average Value (RM' m)	0.2

Top 3 Shareholders	(%)
Gd ExpressHdgs (M) S/B	25.1
Yamato HdsCo Ltd	19.7
Singapore Post Ltd	12.3



	1M	3M	12M
Absolute (%)	8.0	28.6	-25.0
Relative (%)	3.6	19.8	-33.1

Earnings Summary		FY25F	FY26F	FY27F
FYE Dec		406.2	509.4	583.9
Revenue (RM'm)		-3.8	19.4	36.8
PATAMI (RM'm)		-3.8	19.4	36.8
CNP (RM'm)		-0.1	0.3	0.7
EPS - core (sen)		NM	40.0	21.0

Source: Company, Apex Securities

## GDEX Berhad

### Supercharged by Logistics Recovery and GD Xchange

- **GDEX Berhad** is an integrated logistics and express delivery provider focused on B2B logistics in Malaysia, with a growing regional presence and an expanding technology business under the GD Xchange roadmap.
- Core earnings are projected to grow to RM19.4m/RM36.8m/RM46.5m in FY26-28F at a CAGR of c.55%, primarily driven by (i) recovery in its domestic express delivery and logistics business (ii) cost cutting measures in NETCO, (iii) increased revenue and profit from GD Xchange segments, (iv) further internal cost optimisation measures.
- We initiate coverage on GDEX with a **BUY** recommendation and a TP of **RM0.20**, based on 30x FY27 EPS of 0.7 sen, implying a PEG ratio of 0.55x.

### Key Investment Highlights

**GD Xchange: The Super Platform for Technology Services.** GD Xchange represents a strategic transformation from a traditional express delivery operator into a tech-driven logistics ecosystem with global reach, positioning itself to become a WeChat-like super platform for technology services. It offers end-to-end implementation, installation, and after-sales support across cybersecurity, integrated POS systems, cloud subscriptions, workspace solutions, and e-commerce platforms for companies. Leveraging its one-stop solution capability and established B2B customer base from its express delivery business, GDEX is well placed to accelerate cross-selling, offer bundled solutions at more competitive rates, and build a recurring, services-led revenue base. Some of GDEX's partnerships include AWS, Microsoft, Lark (Bytedance), BlackBerry, Okta and Shopify. This ability to provide bundled discounts and preferential pricing enhances customer stickiness while lowering acquisition costs. Its IT segment is expected to contribute RM9.5m/RM16.3m/RM24.2m to net profit for FY26F/FY27F/FY28F.

**Dissipating Competitive Pressure in the Domestic Logistics Sector.** Competitiveness in the logistics sector is easing following prolonged price-led competition, evidenced by the recent exit of Flash Express Malaysia. With domestic logistics demand still growing and warehouse utilisation at only c.50 to 60%, GDEX has ample capacity to scale volumes efficiently. We forecast revenue growth of c.15.9%/8.7%/5.0% in FY26F/FY27F/FY28F, respectively, for its express delivery and logistics segment, translating into a two-year CAGR of c.6.8% and supporting meaningful operating leverage.

**Immediate cost savings from rationalisation of operations in NETCO.** GDEX is expected to realise immediate cost savings of c.RM5m from the rationalisation of operations at its Vietnam subsidiary, NETCO, following the expiry of the five-year post-acquisition restriction that previously limited operational influence. These savings are driven mainly by lower rental expenses and reduced senior management headcount, with further efficiencies from automation, route optimisation and transport mix improvements. We expect total cost savings to reach c.RM8.4m in 2026. NETCO is projected to return to profitability in 2026, supported by a c.25% revenue increase from RM30m in FY25F to RM38m in FY26F, representing a c.RM12.7m swing from loss to profit before minority interest.

**Earnings Outlook.** We project GDEX's earnings to grow to RM19.4m/RM36.8m/RM46.5m in FY26-28F at a CAGR of c.55% due to (i) the recovery in its domestic express delivery business, (ii) NETCO's turnaround and (iii) contributions from GD Xchange.

**Valuation and Recommendation.** We initiate coverage on GDEX with a **BUY** recommendation and a TP of **RM0.20**, based on 30x FY27F EPS of 0.7 sen. We view this valuation as fair, as it is broadly in line with the global peer average P/E of 29.1x, reflecting GDEX's comparable growth profile. At this multiple, the implied PEG ratio of 0.55x suggests that the stock is materially undervalued relative to its strong expected profit CAGR in our view.

## Investment Highlights

**GD Xchange: A New Growth Frontier.** GDEX is undergoing a strategic transformation from a traditional express delivery operator into a technology-driven logistics ecosystem with global reach. This evolution is anchored by its proprietary software platforms, namely Xilinx for POS and retail management, SweetMag for enterprise and logistics solutions and Anon for digital and data-driven applications. Together, these platforms reposition the group beyond asset-heavy delivery into higher-margin, recurring software and services revenue.

In parallel, GDEX's role as a distributor and ecosystem partner for global platforms such as AWS Cloud, Huawei Cloud, Lark and Shopify expands its addressable market across SMEs and enterprise clients. The integration of logistics, commerce and cloud solutions within a single platform is expected to embed GDEX more deeply into customers' daily operations, reducing churn, improving revenue visibility and supporting margin expansion over time. We also believe that GD Xchange's asset-light business model, which relies primarily on human capital, carries relatively low risk.

As the group's revenue mix progressively shifts towards technology-enabled and platform-based services, we expect a meaningful inflection in earnings. We forecast group profitability to grow at a CAGR of c.55% in FY26F-28F, underpinned by scalable software income and lower incremental capital requirements relative to its legacy express delivery business

**Dissipating Competitive Pressure in the Domestic Logistics Sector.** Competitive intensity in the logistics sector is easing following a prolonged period of price-led competition over the past decade. Aggressive undercutting by logistics players to gain market share has eroded industry profitability, resulting in sustained cash outflows among inefficient players and the exit of several participants. Recent developments such as Flash Express ceasing Malaysian operations and CJ Century Logistics divesting its loss-making courier arm in 2021 point to ongoing industry rationalisation. We believe a meaningful number of small and medium-sized logistics players have also exited the market, reducing pricing pressure and improving the operating backdrop for remaining incumbents.

We expect parcel volume recovery in December to be robust, exceeding pre-covid levels because of Flash Express' exit. There were 122 courier licenses in 2022 and we believe that there are currently less than 100 courier licenses as more players exit the market due to the inherent competitiveness of the industry.

Against this backdrop, GDEX is well positioned to capture incremental volumes. It has a special shipment lane with Singapore established in October 2025 that offers improved rates through SingPost. Essentially, this is a bilateral partnership whereby SingPost handles all last-mile deliveries into Malaysia via GDEX, and vice versa. This arrangement is expected to lower unit costs for both parties, support market share gains and drive a step-up in cross-border parcel volumes from 2026. In addition, GDEX is expected to be appointed as Shopee's sole delivery partner for cargo movements from Peninsular Malaysia to Brunei, providing a further uplift to parcel volumes.

While domestic logistics demand continues to grow, GDEX is able to scale volumes efficiently given warehouse utilisation of only c.50-60%. We forecast revenue growth of c.15.9%/8.7%/5.0% in FY26F/FY27F/FY28F, respectively, for its express delivery and logistics segment, translating into a two-year CAGR of c.6.8%. With largely fixed cost infrastructure already in place, incremental parcel volumes are expected to flow through disproportionately to earnings, supporting meaningful operating leverage and bottom-line growth.

**Immediate cost savings from rationalisation of operations in NETCO.** We believe that GDEX will be able to achieve immediate cost savings of c.RM5m from its cost rationalisation plan in its Vietnam subsidiary. Half of these savings are expected to come from lower rents as NETCO shifts to cheaper office spaces and from reduced staff costs following a reduction in senior management headcount. The main reason why these measures were not implemented earlier

was the five-year grace period following GDEX's acquisition of a majority stake in NETCO, during which GDEX was not permitted to influence operations. This restriction has now expired.

In addition, GDEX's continued investments in technology for automation and optimisation will provide further cost savings for the group. We expect total cost savings from these rationalisation plans to amount to c.RM8.4m in 2026. Additional savings are anticipated from optimisation of delivery routes to reduce fuel costs, optimisation of truck rentals, and switching certain long-distance transport modes from trucks to trains.

NETCO has been the primary drag on the group in FY25, potentially recording losses after tax of c.RM7.6m according to our estimates. This was largely due to the loss of significant parcel delivery volumes from its key customers (referred to as Customer A and Customer B, both global electronics players). About 90% of NETCO's revenue is derived from its top 10 customers, and the majority of these clients reduce volumes if their logistics provider underperforms. Underperformance has proved costly for NETCO, as it has been required to compensate customers for missing delivery targets.

We anticipate NETCO's revenue to rise by c.25% from RM30m in FY25F to RM38m in FY26F. Supported by the cost rationalisation measures, NETCO is expected to return to profitability in 2026, representing a c.RM12.7m swing from loss to profit before minority interest.

**The Super Platform for Technology Services.** GD Xchange, with its enhanced offering of technology services, is expected to become the WeChat-like "super platform" of enterprise technology services. Its portfolio includes implementation, installation, and after-sales support for cybersecurity, integrated POS systems, cloud subscriptions, workspace solutions, e-commerce platforms, and enterprise resource planning. The penetration rates for many of these offerings remain relatively low in Malaysia and Southeast Asia, leaving ample room for growth as companies seek technological efficiencies to reduce costs.

We believe GDEX will place maximum emphasis on customer satisfaction, guiding clients at every step from initial consultation and implementation to ongoing troubleshooting and optimisation, playing the role of a systems integrator. This level of service would not be possible without skilled and well-trained staff. GDEX has prioritised staff development, investing more in training than most of its peers to ensure its personnel are equipped to identify client needs accurately and deliver tailored solutions effectively.

GD Xchange can also function as a one-stop solution centre for clients due to its broad array of offerings. This enables the group to provide bundled discounts and integrated packages, making it more price-competitive than peers operating in individual silos within the same industries. GDEX is well-positioned to capitalise on these advantages. We expect its customer base to grow rapidly, leveraging the existing plethora of corporate clients from its express delivery division, which focuses predominantly on B2B services. Cross-selling technology solutions to these established logistics customers should accelerate adoption and create a virtuous cycle of recurring revenue growth.

**After Sales and post-implementation services as a major growth driver for the company in 2027.** The strategic pivot towards after-sales and post-implementation services has unlocked a vast and structurally expanding target market for GDEX Berhad, fundamentally repositioning the Group to capture high-value lifecycle revenue far beyond initial technology deployments. By establishing itself as an essential partner in the continuous maintenance, security monitoring, and operational optimisation of complex IT ecosystems, GDEX is tapping into a massive demand for specialised technical expertise that most regional enterprises prefer to outsource rather than manage in-house.

This service-led strategy, central to the GD Xchange transformation, is designed to drive exponential growth across its cybersecurity, cloud, and e-commerce segments, specifically through high-growth subsidiaries like Anon Security, Xilnex, and Sweetmag, as the Group moves from a transactional logistics model to a recurring business mobilisation framework. However,

while the groundwork is being laid now, the true inflection point for exponential earnings growth is projected for 2027, following a deliberate and intensive ramp-up phase throughout 2026.

During this critical preparatory year, GDEX intends to aggressively expand its workforce and invest in high-tier human capital, hiring specialised engineers, cybersecurity analysts, and implementation experts to fill existing talent gaps and build the operational muscle required to manage a surge in large-scale service contracts. This strategic pause for capacity building in 2026 ensures that the Group is fully equipped to fulfil a massive and growing order book, setting the stage for 2027 to be the definitive year where its service-led investments translate into accelerated, high-scale profitability and market leadership across the ASEAN region.

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## Company Background

GDEX is a leading integrated logistics and express delivery service provider in Southeast Asia, with a primary focus on Malaysia and a growing regional footprint. Established in 1997 as GD Express Carrier Bhd, the Group initially provided domestic and international express delivery services before evolving into a diversified logistics, customised solutions and information technology (IT) services provider.

Under the leadership of Mr. Teong Teck Lean, who became the controlling shareholder in 2000, GDEX achieved several milestones that strengthened its market position. In 2003, GDEX became the first local express delivery company in Malaysia to obtain ISO 9001:2000 certification for its Quality Management System. The Group was listed on the ACE Market of Bursa Malaysia in 2005, marking its entry into the public markets and coinciding with its first profitable year. Subsequent upgrades included ISO 9001:2008 in 2009 and ISO 14001:2004 certification in 2012 for its Environmental Management System.

GDEX's growth accelerated through strategic expansion and partnerships. The Group established operations in Singapore in 2007, followed by the deployment of Malaysia's first conveyor-based shipment sorting system in 2008, enhancing operational efficiency and scalability. In 2011, Singapore Post Limited acquired a strategic equity stake (currently c.12.1%), providing capital support and regional collaboration opportunities. GDEX transferred its listing to the Main Market of Bursa Malaysia in 2013, improving visibility and access to institutional investors.

In 2016, Yamato Holdings Co., Ltd., through Yamato Asia, became the second-largest shareholder with a 19.3% stake, reinforcing GDEX's regional logistics capabilities. During the same period, the Group expanded into technology and regional express delivery through the acquisition of a 30% stake in Xilinx (software solutions; subsequently increased to 38%) and a 40% stake in PT Satria Antaran Prima Tbk (SAP Express), an Indonesian express delivery company listed on the Indonesia Stock Exchange (current effective stake c.44.5% via layered holdings). Further diversification followed with the establishment of GDEX Academy in 2018 to support workforce development, and the acquisition of a 50% stake in Vietnam's Noi Bai Express and Trading Joint Stock Company (NETCO) in 2019, strengthening the Group's presence in Indochina.

In December 2020, the Group rebranded to GDEX Berhad, unveiling a refreshed corporate identity centred on innovation and sustainability. This was followed by the GD Xchange Roadmap in 2021, aimed at driving digital transformation, and the launch of the GD Xchange Ecosystem in 2022, which included the acquisition of a 51% stake in Sweetmag Solutions (IT services and consulting) and a 60% stake in Anon Security (cybersecurity solutions). In 2023, GDEX introduced its Auto Hub to enhance automation in logistics operations, while 2024 saw the rollout of its Purpose and Compass framework, alongside further expansion into IT services and solutions.

## Business Structure & Operations

As an investment holding company, GDEX Berhad operates through a portfolio of wholly-owned and majority-owned subsidiaries across three key segments:

- **Express Delivery**
- **Logistics Operations**
- **Information Technology Services** (cybersecurity, software solutions and consulting)

Core Malaysian operations are driven by wholly owned subsidiaries including:

- **GD Express Sdn Bhd** (express delivery)
- **GD Logistics (M) Sdn Bhd** (logistics)

- **GD Secured Solutions Sdn Bhd** (secured delivery)
- **GD Customised Solution Sdn Bhd** (insurance agency services)
- **GD Facilities & Assets Management Sdn Bhd**

Regionally, the Group operates **GD Express (Singapore) Pte Ltd (100%)**, with associate and affiliate interests extending to:

- **Indonesia: c.44.5% stake in PT Satria Antaran Prima TbK (SAP Express) and 100% PT Gede Advisory Indonesia**
- **Vietnam: 50% NETCO, 100% Xilnex Vietnam Co., Ltd (IT; dormant), and 51.4% GDComma Resources Joint Stock Company (IT outsourcing; dormant)**
- **Cambodia: 100% Xilnex Cambodia Co., Ltd (IT activities)**

The Group also holds:

- **90% VIVL Pte Ltd** (Singapore; advisory services)
- **51% Sweetmag Solutions (M) Sdn Bhd**,
- **60% Anon Security Sdn Bhd**
- **38% Xilnex Sdn Bhd**
- **90% ALP Capital Sdn Bhd** (payment processing)

Supported by a network of over 150 stations across Malaysia and Singapore, GDEX is well positioned to capitalise on structural growth in e-commerce, cross-border logistics and digital services, while diversifying earnings beyond traditional last-mile delivery.

**Figure 1: Group Structure**



Source: Company

Figure 2: Business Segments

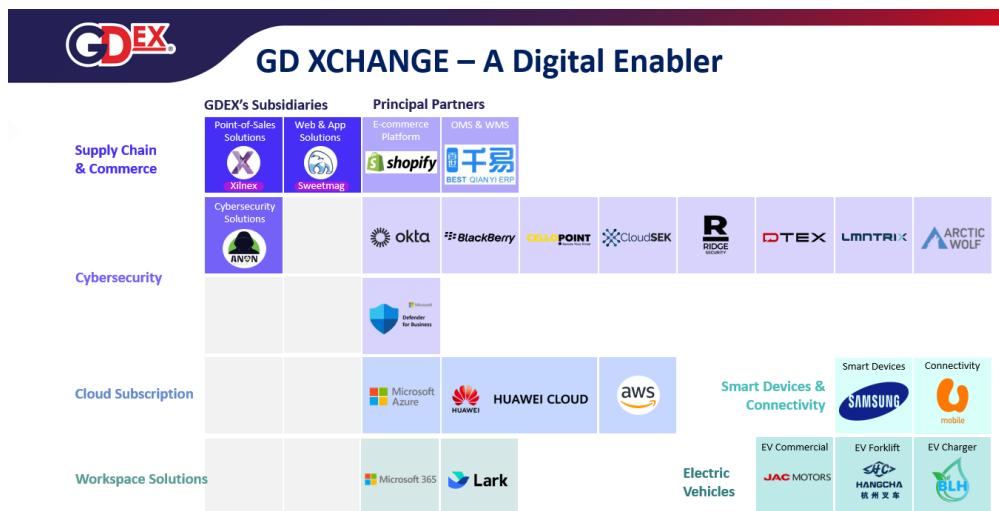
## GDEX – A Logistics-Technology Platform



*Seamless multichannel supply chain integration to enhance customer stickiness*

Source: Company

Figure 3: GD Xchange Overview



Source: Company

### GD Xchange – A New Frontier

As part of GDEX's strategic diversification into information technology services and solutions under the GDEX 2.0 transformation plan initiated in 2021-2022, the group has invested in several technology-focused entities to build a comprehensive digital ecosystem.

These investments enhance synergies with its core express delivery and logistics operations, particularly in e-commerce enablement, retail management, and cybersecurity. The key entities include Xilinx (38% stake), Sweetmag Solutions (51% stake), and Anon Security (60% stake). These subsidiaries contribute to the group's IT segment, which has shown strong growth, driven by expanded offerings in smart retail systems, web/enterprise solutions, and cybersecurity.

#### Xilinx – Integrated POS System Provider

Xilinx is a leading provider of cloud-based point-of-sale (POS) and retail management solutions in Malaysia and Southeast Asia, specialising in omnichannel software for retail and F&B sectors. Originally established as Web Bytes Sdn Bhd in 2007 and headquartered in Bayan Lepas, Penang, the company rebranded to Xilinx Holdings Sdn Bhd in late 2024 to support its regional expansion ambitions. Xilinx offers future-ready POS systems, including inventory management,

customer engagement tools, CRM, promotions, and business intelligence solutions like Xilinx Insight. Its platform is designed to simplify operations for single outlets to multi-store chains, with features such as real-time data, mobile inventory management, and integrations for e-commerce and supply chain. The company has over 40,000 installations across 11 countries, including Malaysia, Indonesia, Thailand, Cambodia, Vietnam, Singapore, and the Philippines. Notable clients include Marrybrown, ZUS Coffee, Taco Bell, Tealive, Gong Cha, Pickup Coffee, and Seattle's Best Coffee. GDEX acquired its 38% associate stake in 2022 (previously referenced as Web Bytes), enabling better connectivity for retail clients within the GDEX ecosystem. Xilinx's solutions have been instrumental in driving the group's IT segment growth, particularly in smart retail systems.

### Sweetmag – Digital E-commerce and Corporate Digital Solutions

Sweetmag is a prominent digital commerce agency focused on designing, developing, and supporting robust e-commerce and corporate website solutions. Founded in 2008 and headquartered in Kuala Lumpur, it holds Malaysia Digital status and specialises in platforms such as Adobe Commerce (Magento), Shopify Plus, Salesforce Commerce Cloud, WordPress, and Payload CMS. The company provides end-to-end services, including UI/UX design, back-end integrations, digital marketing, consulting, and managed hosting, with an emphasis on high-performance solutions for brands across industries. Sweetmag empowers clients to thrive in online commerce through innovative, scalable digital experiences. In 2023-2024, it forged a key collaboration with Shopify Inc to facilitate cross-border e-commerce for GDEX clients. GDEX acquired a controlling 51% stake in 2022. This investment has bolstered GDEX's web and enterprise solutions offerings, contributing to enhanced digital transformation for merchants in the logistics ecosystem.

### Anon Security – Cybersecurity

Anon Security is a cybersecurity firm specialising in prevention, protection, and response to cyber threats, leveraging principles of Total Security, Defence in Depth, and Zero Trust. Incorporated in October 2020 and based in Kuala Lumpur, the company was founded by a team with over 20 years of experience in cybersecurity projects for high-net-worth individuals, corporations, and governments. It offers professional services and reliable solutions, including artificial intelligence and machine learning-based tools, and serves as a distributor for leading vendors (e.g., distributor for Okta and BlackBerry solutions in Malaysia). Anon emphasises trusted expertise to address evolving cyber risks in the region. GDEX acquired a 60% controlling stake in 2022, positioning it as the group's cybersecurity arm. The vendor ecosystem emphasises innovative technologies in identity management, endpoint protection, email security, insider risk management, automated penetration testing, managed detection and response (MDR), and digital risk monitoring. Notably, partnerships with Okta and BlackBerry are key contributors to Anon's growth, driving significant revenue increases in GDEX's IT segment (up c.61% to RM55.4m in FY24, with the segment turning profitable at RM2.1m), largely from cybersecurity software distribution. Anon's standalone revenue surged from RM3.1m in FY23 to RM17.2m in FY24, reflecting the impact of these distributorships amid rising cyber threats and Malaysia's Cybersecurity Act enforcement in August 2024. Below is a detailed overview of the specified partnerships, based on Anon Security's distribution roles and solution offerings.

**Okta.** Anon Security serves as the sole distributor for Okta solutions in Malaysia and an authorised distributor in Indonesia, a role that has positioned it as a primary gateway for enterprises seeking advanced identity and access management (IAM) in the region. Okta, a leading independent identity provider, offers the Okta Identity Cloud platform, which enables organisations to securely connect the right people to the right technologies at the right time. This partnership, formalised with Anon Security's appointment as distributor, allows for the delivery of comprehensive IAM solutions tailored to Malaysian businesses, governments, and high-net-

worth individuals, addressing the growing need for secure digital transformation in a landscape marked by increasing remote work and AI-driven threats.

Key products and features distributed through Anon include:

- **Single Sign-On (SSO):** Streamlines access to multiple applications with one set of credentials, reducing password fatigue and enhancing user productivity while enforcing security policies.
- **Multi-Factor Authentication (MFA):** Adds layers of verification, such as biometrics or hardware tokens, to prevent unauthorised access, particularly effective against phishing and credential stuffing attacks.
- **Lifecycle Management:** Automates user provisioning, de-provisioning, and access governance, ensuring compliance with regulations like Malaysia's Personal Data Protection Act (PDPA) and reducing administrative overhead.
- **Secure Connectivity and API Access Management:** Protects APIs and enables secure integration across cloud, on-premises, and hybrid environments, supporting zero-trust architectures.
- **AI-Enhanced Security Features:** Incorporates adaptive risk-based authentication, which uses machine learning to detect anomalous behaviour and adjust security measures dynamically, crucial for defending against sophisticated threats like those involving generative AI.

Benefits to customers include:

- mitigated risks from compromised credentials (a prevalent attack vector in Southeast Asia),
- improved operational efficiency
- scalable identity security for employees, customers, partners, and even AI agents.

Anon Security supports implementations by providing expert consultation, proofs of concept (POCs), integration services, and ongoing training, leveraging the team's 20+ years of experience in cybersecurity projects. Use cases span enterprise workforce access, customer identity management for e-commerce platforms, and secure AI deployments, where Okta ensures agents operate within controlled perimeters to prevent "shadow AI" risks. This distributorship has been a major revenue driver for Anon (+454% YoY in FY24), contributing to its profit turnaround from a RM1.46m loss in FY23 to a RM1.44m profit in FY24, as enterprises increasingly adopt identity-centric security amid regulatory pressures. Events like the partner gathering in November 2025 highlight the partnership's momentum, drawing crowds and fostering channel growth.

**BlackBerry.** Anon Security is the sole distributor of BlackBerry cybersecurity solutions in Malaysia and an authorised distributor in Indonesia. The company was recognised as BlackBerry's *"Best New Logo" Award Winner in APAC* (2023), highlighting its execution capabilities and contribution to BlackBerry's regional expansion strategy. This partnership positions Anon as a key channel partner for government-grade and regulated enterprise security deployments in Malaysia.

BlackBerry has evolved into a software-led cybersecurity provider focused on secure communications, endpoint management, critical event management, and AI-driven security analytics. Its solutions are widely adopted by governments, defence agencies, financial institutions, and critical infrastructure operators, aligning well with Malaysia's tightening cybersecurity and compliance requirements.

Key products and solutions include:

- **AI-Enhanced Endpoint and Threat Prevention Capabilities (Non-Cylance Branded):** While Arctic Wolf now owns the Cylance endpoint products, BlackBerry continues to embed Cylance-derived AI models and prevention logic into selected security offerings, particularly for high-assurance environments and government use cases.
- **Managed Detection and Response (MDR) and Security Consulting:** BlackBerry provides MDR and advisory services that emphasise behavioural analytics, telemetry correlation, and zero-trust enforcement, with Anon Security supporting deployments, SOC augmentation, and ongoing operations.
- **BlackBerry SecuSUITE:** NATO-certified secure communications software that encrypts voice calls, messages, and data on standard mobile devices, protecting against eavesdropping and threats to national or enterprise security. It enables secure collaboration for governments and high-stakes industries.
- **BlackBerry AtHoc:** A critical event management system for emergency notifications and incident response, integrating secure alerting with rapid team mobilisation to minimise downtime during crises.
- **BlackBerry UEM (Unified Endpoint Management):** Provides policy control and secure management for devices, apps, and IoT endpoints in hybrid work settings, ensuring compliance and data protection.

Strategically, the partnership benefits from BlackBerry's regional initiatives, including the Cybersecurity Centre of Excellence in Cyberjaya, which supports technical enablement and enterprise adoption. From a financial perspective, BlackBerry-related projects, particularly secure communications, UEM deployments, and consulting-led implementations, have been meaningful contributors to GDEX Berhad's IT segment growth, supported by rising cybersecurity compliance requirements following the introduction of Malaysia's Cybersecurity Act in 2024.

Overall, the BlackBerry partnership positions Anon Security as a multi-vendor, best-of-breed cybersecurity integrator, while aligning with GDEX's broader GD Xchange strategy to build a scalable, recurring-revenue digital services ecosystem anchored in cybersecurity, cloud, and enterprise IT solutions.

**Arctic Wolf (Endpoint Security) Partnership.** Anon Security has also been appointed as a distributor for Arctic Wolf's endpoint security solutions for Malaysia and Indonesia. Arctic Wolf's Aurora Endpoint Security platform is based on technology originally developed under BlackBerry's former Cylance business, providing continuity in AI-driven endpoint protection capabilities.

Through this partnership, Anon distributes Arctic Wolf's next-generation endpoint protection and EDR solutions, which leverage machine learning-based threat detection, behavioural monitoring, and real-time response to protect against ransomware, zero-day attacks, and advanced persistent threats. Endpoint security remains one of the fastest-growing segments of enterprise cybersecurity spending, driven by hybrid work adoption and rising attack surfaces.

The Arctic Wolf partnership complements Anon's BlackBerry portfolio by expanding its coverage into endpoint-centric security deployments and managed detection use cases. This allows Anon to offer a more comprehensive security stack spanning endpoint protection, managed detection, secure communications, unified endpoint management, and consulting services.

From a commercial perspective, Arctic Wolf's subscription-based delivery model supports recurring revenue generation and improves earnings visibility for GDEX's IT segment. Combined with Anon's local implementation, proof-of-concept support, training, and managed services

capabilities, the partnership enhances customer stickiness and strengthens the scalability of GD Xchange's digital services platform.

**Cellopoin**t. Anon Security is an authorised distributor for Cellopoin in Malaysia and Indonesia. Cellopoin specialises in AI-based protection against email-borne threats, including spam, viruses, phishing, ransomware, business email compromise (BEC), and advanced persistent threats. Its flagship Secure Email Gateway (SEG) employs multi-layer scanning, dynamic sandboxing, URL rewriting for time-of-click protection, and behavioural analysis. This collaboration enhances Anon Security's email security portfolio, addressing the prevalent risk of sophisticated email attacks in Southeast Asia.

**Cloudsek**. As part of its digital risk management offerings, Anon Security integrates and is an authorised distributor of CloudSEK solutions in South East Asia. CloudSEK is a contextual AI-powered platform for external threat intelligence, digital risk monitoring, and predictive cybersecurity. It provides real-time insights into surface, deep, and dark web threats, brand impersonation, supply chain risks, and vulnerability exposure. This partnership supports Anon Security's proactive threat hunting and risk management services, helping clients anticipate and mitigate external cyber risks.

**Ridge Security**. Anon Security acts as the distributor for Ridge Security's RidgeBot in Malaysia and Indonesia. Ridge Security delivers automated penetration testing and exposure management through its intelligent robotic system, RidgeBot, which simulates ethical hacking to identify vulnerabilities in networks, servers, and applications. It generates exploit evidence and supports risk-based vulnerability prioritisation. Anon Security has been recognised as an "Emerging Growth Distributor" in the APJ region by Ridge Security, underscoring strong collaboration in automating security validation and reducing manual testing burdens for clients.

**DTEX**. Anon Security is the authorised distributor for DTEX Systems solutions across Southeast Asia, covering countries including Malaysia, Singapore, Brunei, Indonesia, Thailand, Vietnam, the Philippines, Cambodia, Myanmar, Laos, and Timor-Leste. DTEX is a leader in insider risk management, with its InTERCEPT platform combining data loss prevention (DLP), user and entity behaviour analytics (UEBA), user activity monitoring (UAM), and AI/ML-driven behavioural indicators. It emphasises a privacy-first approach with patented anonymisation, enabling proactive detection of insider threats without compromising employee trust. This extensive regional distribution agreement positions Anon Security to address growing concerns around insider risks in enterprises.

**LMNTRIX**. Anon Security serves as the distributor for LMNTRIX solutions in Malaysia and Indonesia. LMNTRIX provides an intelligence-led Managed Detection and Response (MDR) service called Active Defense, powered by its XDR platform. This integrates advanced threat hunting, deception technology, network forensics, endpoint protection, and 24/7 Cyber Defense Centers for proactive threat neutralisation. The partnership enables Anon Security to offer scalable, security-as-a-service models that extend clients' security operations, focusing on detecting threats bypassed by traditional controls.

These partnerships form the backbone of Anon Security's solution stack, allowing it to tailor offerings for governments, corporations, and high-net-worth individuals while contributing to the growth of GDEX's IT and cybersecurity segment. The focus on best-of-breed, AI-enhanced vendors aligns with regional demands for resilient digital defences amid rising cyber threats.

## Why Anon Security?

Clients often choose authorised distributors or resellers for cybersecurity solutions (such as those offered by Anon Security under GDEX Berhad) over procuring directly from the vendors themselves for several practical and strategic reasons, particularly in markets like Malaysia and Southeast Asia where most of these partnerships (e.g., Okta, BlackBerry, DTEX, LMNTRIX, Cellopoint, CloudSEK, and Ridge Security) do not have a direct presence, relying instead on local channels for sales, support, and implementation. The reasons for choosing a company like Anon for cybersecurity is as follows

- 1. Localised Support and After-Sales Service.** Direct vendors typically provide global or regional support (often offshore, with response times of hours or days and potential language barriers). Distributors offer on-the-ground, localised expertise: teams based in Malaysia fluent in Bahasa Malaysia, English, and other languages, providing faster response times (same-day or 24/7 for critical issues), proactive monitoring, and tailored after-sales service. This is especially valuable for SMEs and mid-sized enterprises lacking in-house cybersecurity teams, ensuring quicker incident resolution and ongoing optimisation without the hassle of dealing with distant vendor support centres.
- 2. Customised Implementation and Managed Services.** Distributors like Anon Security deliver end-to-end services: initial assessments, custom deployments, integration with local systems (e.g., linking to Malaysian compliance tools or existing IT infrastructure), ongoing managed detection and response, and regular updates. Clients avoid the complexity of self-implementing advanced solutions like IAM or endpoint protection, particularly when vendors without local presence offer limited hands-on guidance for region-specific needs.
- 3. Consolidated Billing and Flexible Commercial Terms.** Direct vendor billing is often in USD with rigid terms, credit-card requirements, or enterprise-level commitments that may not suit smaller organisations. Distributors provide localised invoicing in MYR, flexible payment options (e.g., instalments or milestone-based), volume discounts, and bundled pricing across multiple solutions, simplifying budgeting and compliance with Malaysian financial regulations.
- 4. Regulatory and Compliance Guidance.** Malaysia's Cyber Security Act 2024, PDPA, and sector-specific rules (e.g., for banking or critical infrastructure) demand nuanced compliance. Local distributors offer expertise in configuring solutions to meet these requirements, including data residency, audits, and reporting, which are services that international vendors without a Malaysian presence may not prioritise or customise adequately for non-enterprise clients.
- 5. Multi-Vendor and Best-of-Breed Strategies.** Distributors partner with multiple vendors (e.g., Anon Security's portfolio spans Okta for IAM, BlackBerry for endpoint protection, and DTEX for insider risk), enabling unbiased recommendations and integrated multi-vendor setups. Clients gain a single point of contact for hybrid environments, avoiding the need to manage separate relationships with each vendor, many of whom lack local offices.
- 6. Training, Enablement, and Change Management.** Distributors provide localised training programmes, workshops, and user adoption support tailored to Malaysian business cultures and hybrid work models, which are critical for maximising ROI. This goes beyond what direct vendors typically offer, especially for partners without regional presence.
- 7. Preferential Incentives and Escalation Paths.** Through vendor partner programmes, distributors can access credits, co-marketing funds, priority escalations, and early access to features that individual direct customers may only qualify for at high spend thresholds. In summary, whilst large multinationals with dedicated IT resources may opt for direct relationships to maximise control, most mid-market organisations and SMEs in Malaysia prefer distributors for the comprehensive after-sales expertise, localised compliance support, and operational simplicity, which effectively bridges the gap created by the absence of direct vendor

presence in the region. This model reduces implementation risks and enhances value in a market where technical talent and regulatory navigation are key barriers.

## Microsoft Cybersecurity (GD Xchange)

Separate from Anon Security, Microsoft is also a partner of GD Xchange for Microsoft's cybersecurity solutions, enabling the company to deliver enterprise-grade cloud security, identity protection, and endpoint defence capabilities across Malaysian enterprises and public-sector organisations. Microsoft is one of the world's largest cybersecurity vendors by revenue, with its security portfolio deeply embedded within the Microsoft 365, Azure, and Windows ecosystems, providing strong natural demand among existing enterprise customers.

Through this partnership, GD Xchange will be able to support the deployment, integration, and optimisation of Microsoft's security stack, which includes:

- **Microsoft Defender for Endpoint and Cloud:** Provides real-time threat detection, endpoint protection, and cloud workload security using AI-driven behavioural analytics and global threat intelligence.
- **Microsoft Sentinel (SIEM and SOAR):** A cloud-native security information and event management platform that enables centralised log monitoring, automated threat response, and large-scale security analytics across hybrid IT environments.
- **Microsoft Entra (Identity and Access Management):** Delivers identity protection, conditional access policies, and zero-trust architecture implementation, helping organisations secure user authentication and reduce credential-based attacks.
- **Microsoft Purview (Data Security and Compliance):** Supports data loss prevention, insider risk management, and regulatory compliance across enterprise data environments.

Strategically, the Microsoft cybersecurity partnership strengthens GD Xchange's positioning as an enterprise IT and digital services provider by expanding its capabilities beyond traditional infrastructure deployment into higher-value cybersecurity, compliance, and cloud security services. The partnership also complements GDEX's broader technology ecosystem by enabling cross-selling opportunities into existing logistics, enterprise IT, and cloud service customers, while supporting end-to-end digital transformation projects that combine infrastructure, cloud migration, and security implementation.

From a commercial perspective, Microsoft security deployments typically operate on subscription-based licensing models, supporting recurring revenue generation and improving earnings visibility for GD Xchange. GD Xchange further enhances monetisation through value-added services such as security architecture design, cloud security migration, compliance consulting, system integration, proof-of-concept deployment, and managed security services. This model aligns with GDEX's strategic objective of building a scalable, asset-light digital services platform with higher-margin recurring revenue streams anchored in cloud and cybersecurity solutions.

### Cloud Subscription Solutions

As part of its GD Xchange ecosystem expansion to deliver comprehensive digital solutions, GDEX Berhad is positioned to offer cloud subscription services through leading platforms such as Amazon Web Services (AWS), Microsoft Azure, and Huawei Cloud. Enterprises are increasingly attracted to these solutions for their ability to provide on-demand scalability, eliminating upfront capital expenditures on hardware while ensuring high availability and disaster recovery.

- **AWS** draws users with its vast service portfolio, proven track record in supporting mission-critical workloads including AI/ML deployments that accelerate innovation and operational efficiency, and superior global reach compared to rivals, offering lower latency and more regions in many cases.
- **Microsoft Azure** attracts customers through its seamless integration with existing Microsoft software stacks, robust enterprise productivity features, hybrid cloud strengths for bridging on-premises and cloud environments, and advanced AI capabilities, making it ideal for organisations seeking efficient digital workflows and compliance in regulated industries.
- **Huawei Cloud**, meanwhile, attracts customers through competitive pricing (often lower than AWS in APAC), strong regional data centres for compliance with local regulations, and tailored features for hybrid environments that enable seamless integration of on-premises and cloud resources, making it particularly appealing for businesses in Asia facing data sovereignty concerns where competitors like Azure may require more customisation.

**Amazon Web Services (AWS)** is the world's leading cloud platform, commanding c.29% of the global cloud infrastructure market as of Q3 2025, ahead of competitors like Microsoft Azure at 20% and Google Cloud at 13%, with the top three collectively holding around 63% of the market [Synergy Research]. Launched in 2006, AWS provides over 200 fully featured services spanning compute, storage, databases, analytics, machine learning, and artificial intelligence, enabling businesses to innovate rapidly, reduce costs, and scale globally from data centres across multiple regions. Its dominance stems from reliability, extensive ecosystem, and continuous innovation in emerging areas like generative AI, making it the preferred choice for enterprises seeking robust, secure, and flexible cloud infrastructure.

**Microsoft Azure**, the second-largest global cloud provider, holds a 20% market share and is renowned for its deep integration with Microsoft enterprise tools such as Office 365, Dynamics, and Power Platform, along with strong hybrid and multi-cloud capabilities that facilitate seamless transitions for organisations already in the Microsoft ecosystem. Azure excels in enterprise-grade services, advanced AI through partnerships like OpenAI, security features, and compliance certifications, appealing to large corporations prioritising productivity tools, hybrid deployments, and AI-driven innovation with global scalability.

**Huawei Cloud**, a fast-growing provider from Huawei Technologies, holds a modest global market share of around 2%, but ranks strongly in the Asia-Pacific region, particularly as the second largest in mainland China with 18-19% share behind Alibaba Cloud's 33-36% according to Canalys and Omdia. Known for secure, reliable infrastructure and industry-specific offerings with emphasis on hybrid cloud, AI integration, big data, and data sovereignty-compliant solutions, Huawei Cloud appeals to organisations prioritising localised compliance, high-performance computing, and cost-effective AI-driven transformation, particularly in emerging markets where it competes against global giants like AWS, Azure, and regional players like Alibaba and Tencent.

These subscriptions empower GDEX's clients (particularly in e-commerce, logistics, and retail) to optimise IT costs, enhance data security, and leverage advanced analytics and AI, driving faster digital transformation and competitive advantage in a cloud-first landscape.

### Why GD Xchange for Cloud?

Clients often prefer partnering with authorised distributors or resellers of cloud services (such as AWS, Azure, or Huawei Cloud partners) rather than procuring directly from the hyperscalers themselves for several practical and strategic reasons, particularly in markets like Malaysia and Southeast Asia:

- 1. Localised Expertise and Support.** Hyperscalers provide global-scale platforms but typically offer standardised support tiers that may involve longer response times, offshore teams and language barriers. Local distributors bring strong regional knowledge, on-the-ground technical teams fluent in local languages (Bahasa Malaysia, Mandarin and others), and support models tailored to local business hours and requirements. This is especially important for SMEs that lack in-house cloud architects and require hands-on guidance for migration, optimisation and troubleshooting.
- 2. End-to-End Managed Services and Consulting.** Distributors frequently bundle professional services such as architecture design, migration planning, cost optimisation, security hardening, compliance assessments and ongoing managed operations. This goes beyond the hyperscaler's self-service tools and allows clients to outsource complex implementation and daily operations, reducing internal resource strain and accelerating time-to-value.
- 3. Consolidated Billing and Flexible Payment Terms.** Direct hyperscaler billing is usually denominated in USD and relies on credit cards or strict invoicing terms that may not suit all organisations. Distributors often provide consolidated local-currency invoicing (MYR in Malaysia), extended payment terms, volume-based discounts and financing options, which simplify procurement and improve cash-flow management for enterprises and government-linked entities.
- 4. Compliance and Data Sovereignty Assistance.** In Malaysia, regulations such as the PDPA, the Cyber Security Act 2024 and emerging cloud policy guidelines require careful management of data residency and sovereignty. Experienced local distributors help clients navigate these requirements, recommend compliant architectures such as hybrid deployments or specific regional data centres, and assist with audit preparation. These services are not always prioritised by hyperscalers for mid-sized customers.
- 5. Multi-Cloud and Best-of-Breed Solutions.** Many distributors maintain partnerships with multiple hyperscalers, for example AWS, Azure and Huawei Cloud. This enables more neutral advice and the implementation of hybrid or multi-cloud strategies. Clients benefit from a single point of contact for diverse workloads rather than managing multiple vendor relationships and contracts independently.
- 6. Training, Enablement, and Ecosystem Integration.** Distributors often provide localised training programmes, technical workshops, proof-of-concept support and integrations with regional software platforms such as ERP systems, POS solutions and payment gateways. This is particularly valuable for SMEs undergoing digital transformation without dedicated IT teams.
- 7. Preferential Access and Incentives.** Through partner programmes, distributors can offer cloud credits, marketplace access, co-selling opportunities and faster support escalation pathways that smaller direct customers may not qualify for unless they meet high spending thresholds.

In summary, while large enterprises with mature cloud teams may choose to engage hyperscalers directly to maximise control and potential pricing advantages, mid-sized

organisations and SMEs typically prefer distributors due to the added value in expertise, localised support, regulatory guidance and operational simplicity. This model is especially prevalent in emerging and regulated markets such as Malaysia, where talent availability and compliance complexity remain key adoption barriers.

### **Workspace Solutions**

As part of its GD Xchange ecosystem expansion to deliver comprehensive digital solutions, GDEX Berhad is positioned to offer workspace solutions through leading platforms such as Lark and Microsoft 365. Enterprises and SMEs are increasingly attracted to these solutions for their ability to provide unified collaboration tools, integrating messaging, video conferencing, document editing, task management, and AI-enhanced features in a single platform. This approach eliminates the need for multiple disparate tools, reduces subscription overhead, and ensures seamless productivity across hybrid and remote teams while supporting high availability, secure data handling, and scalable user licensing.

**Lark**, developed by **ByteDance** (via Lark Technologies Pte. Ltd., Singapore), was launched publicly in 2019 after extensive internal use within ByteDance. Lark positions itself as a unified digital workspace “Superapp”, integrating:

- Team messaging and group chat
- Video conferencing
- Cloud-based Docs, Sheets, and collaborative tools
- Calendars, approvals, task management, and workflow automation
- AI-powered features such as real-time translation (supporting 100+ languages), meeting transcription, and smart summaries

Lark is designed with a mobile-first, multilingual architecture, making it particularly well-suited for Asia-Pacific and Southeast Asian use cases, including cross-border teams and regional operations.

While Lark remains a niche player globally and does not rank among top-tier providers by market share, it is gaining traction in Southeast Asia due to:

- Competitive pricing and generous base features (e.g. unlimited calls and storage tiers)
- Consolidation of multiple tools into a single platform, reducing subscription sprawl
- Strong support for multilingual collaboration and mobile workflows

These attributes position Lark as an attractive alternative to more complex or costly enterprise suites such as Microsoft Teams or Slack, particularly for SMEs and fast-growing regional businesses.

GDEX Berhad is set to incorporate Lark as the main part of its workspace solutions portfolio under the GD Xchange framework, providing clients with a powerful tool to streamline internal operations and team collaboration. Organisations are drawn to Lark for its ability to consolidate multiple tools into one platform, reducing tool fragmentation and subscription overhead while boosting efficiency (features like unlimited video calls, generous shared storage, and customisable workflow approvals make it ideal for dynamic workflows in fast-paced industries). In Gartner’s 2024 Critical Capabilities for Team Collaboration Platforms, Lark scored highly in the Task Management use case (rated “High” capability), outperforming Microsoft Teams (rated “Moderate to High”) due to its tighter integration of tasks, approvals, and document collaboration within a single, streamlined interface. This gives Lark an edge for teams that need end-to-end workflow automation without switching between multiple apps.

Customers are attracted to Lark for its AI enhancements (such as automatic meeting notes, real-time multilingual translation, and smart summaries) which break down language barriers and reduce administrative work, making it especially valuable for globalising teams in Southeast

Asia. Its mobile-first design, strong security posture, and cost-effective pricing (often lower than legacy enterprise suites) further appeal to growing businesses seeking scalable alternatives. Many organisations pivot from Microsoft Teams or Slack to Lark because it delivers a more unified experience with fewer add-ons required, superior built-in task and workflow capabilities, and better support for multilingual, cross-border collaboration (particularly advantageous for APAC-based enterprises). This addition complements GDEX's IT offerings, enabling merchants, logistics partners, and other clients to achieve agile, collaborative, and efficient digital operations. Despite Lark having a relatively low market share as compared to its peers, it is one of the fastest growing office suites as SMEs would have a preference towards Lark due to its significantly cheaper cost vs its peer like Microsoft 365.

GDEX will also be a distributor of Microsoft 365, the comprehensive productivity suite from Microsoft, includes Microsoft Teams as its core collaboration hub alongside Office apps (Word, Excel, PowerPoint), OneDrive, SharePoint, and advanced AI features via Copilot. It offers deep integration across enterprise tools, robust security and compliance certifications, real-time co-authoring, and seamless hybrid work support, making it a dominant choice for large organisations with existing Microsoft ecosystems and global scalability needs.

## Why GD Xchange for Workspace Solutions?

Clients often choose authorised distributors or resellers for workspace solutions (such as Lark, Microsoft Teams, Slack, or Google Workspace partners) over procuring directly from the vendor for several practical and strategic reasons, especially in markets like Malaysia and Southeast Asia:

**1. Localised Support and After-Sales Service.** Direct vendors typically provide tiered global support (often offshore, with response times of hours or days). Distributors offer on-the-ground, localised expertise: teams fluent in Bahasa Malaysia, Mandarin, or local dialects, faster response times (same-day or 24/7 for critical issues), and proactive account management. This is invaluable for SMEs without dedicated IT staff, ensuring quicker issue resolution and minimal downtime.

**2. Customised Implementation and Ongoing Managed Services.** Distributors frequently provide end-to-end services: initial setup/migration, user training, custom integrations (e.g., linking to local HR/payroll systems or ERP), ongoing optimisation, and managed administration. Clients avoid the burden of self-managing complex deployments or user adoption, particularly when transitioning from legacy tools.

**3. Consolidated Billing and Flexible Commercial Terms.** Direct vendor billing is usually in USD with strict credit-card or annual commitments. Distributors offer local-currency invoicing (MYR), consolidated billing across multiple tools, longer payment terms, volume discounts, and bundled pricing: simplifying procurement, budgeting, and compliance with local finance regulations.

**4. Compliance and Regulatory Guidance.** In Malaysia, compliance with PDPA, Cyber Security Act 2024, and sector-specific rules (e.g., for government or finance) requires careful configuration. Local distributors provide expertise in compliant setups, data residency options, and audit support: services that direct vendors may not prioritise for smaller clients.

**5. Multi-Vendor and Best-of-Breed Advice.** Many distributors partner with several platforms (e.g., Lark + Microsoft Teams + Google Workspace), enabling unbiased recommendations and hybrid strategies. Clients benefit from a single point of contact rather than managing multiple vendor relationships.

**6. Training, Change Management, and User Adoption Programmes.** Distributors often run localised workshops, certification programmes, and change-management support tailored to

regional work cultures: critical for driving user uptake in organisations with varying digital maturity.

**7. Preferential Incentives and Escalation.** Through partner programmes, distributors can offer credits, promotional pricing, priority support escalation, and co-marketing opportunities that direct customers may only access at very high spend levels.

In summary, whilst large enterprises with mature IT teams may prefer direct relationships for maximum control, most mid-market organisations and SMEs opt for distributors to gain comprehensive after-sales service, localised expertise, risk reduction, and operational simplicity: effectively treating the distributor as an extension of their own team. This model is particularly prevalent in Southeast Asia, where technical talent pools and regulatory complexity make hands-on support a key differentiator.

### ***Enterprise Resource Planning Systems***

As part of its GD Xchange ecosystem expansion to deliver comprehensive digital solutions, GDEX Berhad plans to adopt Oracle Fusion Cloud ERP internally while exploring opportunities to become an authorised vendor and reseller of Oracle Cloud ERP services. Enterprises are increasingly attracted to these solutions for their ability to provide a unified, cloud-native platform that integrates core business processes such as finance, human resources, supply chain, procurement, and project management. This approach eliminates the limitations of fragmented legacy systems, reduces total cost of ownership through subscription-based pricing, and ensures continuous innovation with embedded AI, machine learning, and real-time analytics while maintaining high availability, robust security, and seamless scalability across global operations.

Oracle Fusion Cloud ERP is a leading enterprise resource planning (ERP) system developed by Oracle Corporation, designed to integrate core business processes such as finance, human resources, supply chain management, procurement, project management, and manufacturing into a unified cloud-based platform. Launched as part of Oracle's cloud transformation strategy in the early 2010s, it leverages advanced technologies including artificial intelligence, machine learning, and analytics to automate workflows, provide real-time insights, and enhance decision-making across organisations. Gartner consistently positions Oracle Fusion Cloud ERP as a Leader in its Magic Quadrant reports for Cloud ERP, including the 2025 editions for both Product-Centric and Service-Centric Enterprises, recognising its strong Ability to Execute and Completeness of Vision through modular SaaS architecture, extensive industry-specific capabilities, embedded AI innovations, and support for complex global operations. In the broader ERP landscape, Gartner's Market Share Analysis: ERP Software, Worldwide, 2024 (published June 2025) reports the global ERP software market grew 11.3% to \$66bn in 2024, with SAP, Workday, Oracle, UKG, and Sage identified as the leading providers amid accelerating cloud adoption, generative AI integration, and agentic AI advancements.

In alignment with its GD Xchange ecosystem strategy to enhance operational efficiency and digital capabilities, GDEX Berhad plans to adopt Oracle Fusion Cloud ERP internally, streamlining its logistics, finance, and supply chain operations to support its diversified business segments including express delivery, IT services, and regional expansions. This internal adoption will enable GDEX to achieve greater automation, real-time data visibility, and cost optimisation, positioning the company for scalable growth in Southeast Asia's competitive logistics sector. Furthermore, GDEX intends to explore opportunities to become an authorised vendor and reseller for Oracle ERP solutions, leveraging its established IT portfolio to offer implementation, consulting, and managed services to clients in e-commerce, retail, and manufacturing. Enterprises are attracted to Oracle ERP for its robust integration of AI-driven analytics and predictive insights, which provide superior handling of multi-entity and multinational operations while ensuring compliance with global and regional standards.

Compared to competitors like SAP (with its more process-rigid legacy in some on-premises deployments) or Microsoft Dynamics (tied closely to the Azure ecosystem), Oracle's cloud-native approach often delivers faster deployment times, intuitive user experiences, and advanced autonomous features (such as touchless operations and agentic AI), making it particularly appealing for organisations seeking modern, agile platforms that reduce operational silos, accelerate innovation, and deliver measurable business value in an increasingly AI-centric environment. This positions Oracle as a preferred choice for large-scale digital transformations, where embedded generative and predictive AI capabilities drive efficiency and strategic agility beyond traditional ERP functionalities.

## Industry Overview and Outlook

### ***Malaysia Express Delivery Market Overview and Outlook***

Malaysia's logistics industry forms a critical backbone of the domestic economy, supporting trade, e-commerce and supply-chain activity across Southeast Asia. Regional logistics demand is expected to expand in tandem with rising intra-ASEAN trade flows and the continued growth of the digital economy [Mordor Intelligence; ASEAN Secretariat]. The industry spans freight transportation (road, rail, sea and air), warehousing and storage, value-added logistics services such as inventory management, labelling and packaging, as well as courier, express and parcel (CEP) delivery, facilitating both domestic distribution and cross-border trade [Mordor Intelligence].

Malaysia's strategic geographic location along major maritime routes, supported by well-established port and airport infrastructure, reinforces its role as a regional logistics and transshipment hub within global supply chains [Malaysian Investment Development Authority; Mordor Intelligence].

**Figure 4: Key Logistic Service Providers in Malaysia**



Source: Mordor Intelligence

The overall Malaysian freight and logistics market is estimated at USD29.7bn in 2025 and is projected to reach USD38.3bn by 2030, implying a CAGR of c.5.4% [Mordor Intelligence]. Growth is underpinned by rising e-commerce penetration, continued infrastructure investment, including the East Coast Rail Link, and a gradual normalisation following recent global supply-chain disruptions. These tailwinds are partially offset by structural challenges such as labour shortages and fuel price volatility.

Within this broader market, the CEP segment, which is most relevant to GDEX Berhad's core operations, is estimated to be valued at USD1.7bn in 2025 and is expected to expand to

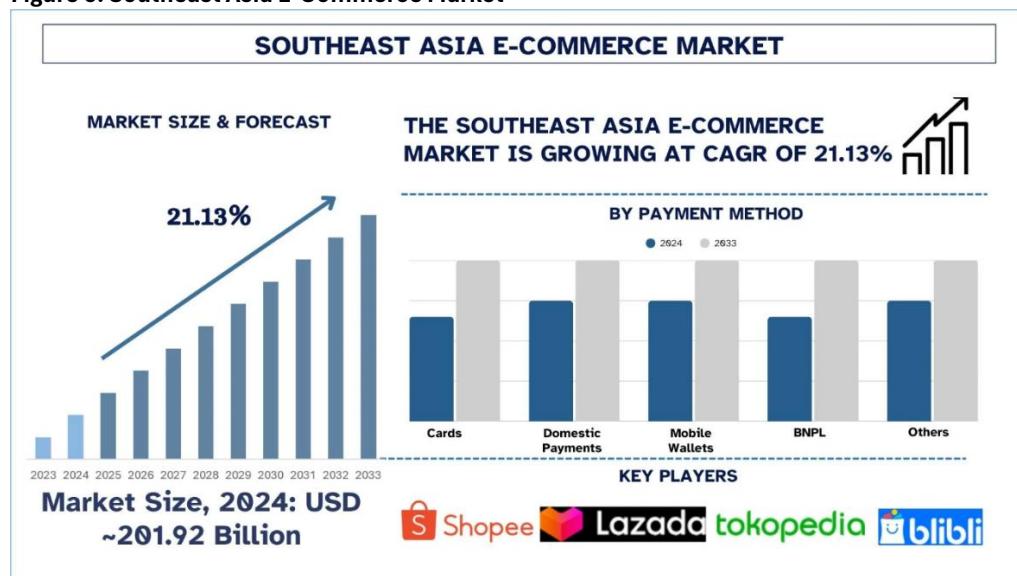
USD2.2bn by 2030, translating into a CAGR of c.6% [Mordor Intelligence]. Growth is driven primarily by online retail expansion and increasing last-mile delivery intensity.

The domestic CEP market, focused on intra-Malaysia shipments, accounts for the majority of CEP revenues and is projected to grow at a high-single-digit CAGR, expanding from USD1.4bn in 2025 to USD2.2bn by 2030 [Mordor Intelligence]. This reflects accelerating B2C adoption, higher parcel frequency per consumer and greater reliance on express delivery for time-sensitive shipments.

Figure 5: Malaysia Logistics Market



Figure 6: Southeast Asia E-Commerce Market



## Freight Market Overview

### Industry structure favours scale, differentiation and B2B exposure

Malaysia's freight and logistics market continues to be dominated by freight transportation, which accounts for the largest share of industry revenue, while the CEP segment is expected to grow at a mid-single-digit CAGR over the medium term [Mordor Intelligence]. However, profitability across logistics sub-segments varies materially due to differences in cost structures, barriers to entry and service complexity.

Within the CEP market, last-mile delivery represents the most operationally intensive and margin-challenged segment. As the final leg between distribution centres and end-users, last-mile delivery is highly cost-sensitive, driven by fragmented delivery points, tight delivery windows, rising labour and fuel costs, and urban congestion, particularly in Greater Kuala Lumpur [Mordor Intelligence]. These structural cost pressures, combined with low barriers to entry, have intensified competition, resulting in persistent price undercutting and structurally thin margins across the last-mile courier market [Mordor Intelligence].

By contrast, logistics segments characterised by higher entry barriers and greater service complexity tend to exhibit more resilient economics. Business-to-business (B2B) logistics typically involves bulk cargo, palletised shipments and specialised transportation, such as temperature-controlled logistics, serving manufacturing, wholesale and retail supply chains. These services place greater emphasis on reliability, network scale and operational expertise, supporting more stable pricing dynamics and higher customer stickiness relative to B2C parcel delivery [Mordor Intelligence]. While B2C logistics benefits from volume growth driven by e-commerce, it remains structurally exposed to pricing pressure due to high service intensity and limited scope for differentiation.

Cargo transportation remains a key earnings contributor for logistics operators, as it generally generates higher revenue per shipment, particularly for time-sensitive and high-value goods such as electronics and perishables [Statista]. The strong rebound in Asia Pacific air cargo demand in 2024 has further underscored the advantages of integrated air-road logistics platforms, although Malaysia-specific growth rates vary across sources [Statista].

Against this industry backdrop, GDEX has highlighted intensifying competition and sustained pricing pressure within the last-mile courier segment, reinforcing the structural challenges associated with pure-play B2C delivery [GDEX Annual Report]. In response, the group continues to pivot strategically towards B2B logistics, technology-enabled solutions and regional diversification, where scale, service differentiation and integrated capabilities are better positioned to support more sustainable returns over the medium term [GDEX Annual Report].

### Outlook – Intensifying Competitive Dynamics Have Led to Industry Consolidation

Recent trends in the Malaysian logistics sector include rapid digitalisation, with adoption of AI for route optimisation, blockchain for traceability, and automation in warehousing to reduce costs by up to 20%, alongside sustainability initiatives like electric vehicle fleets amid ESG pressures [Frost & Sullivan]. The e-commerce surge, with the Malaysian e-commerce market expected to reach USD22.2bn by 2030 at a CAGR of 15.71% from USD10.7bn in 2025, has intensified demand for agile last-mile solutions but also exacerbated overcapacity and price undercutting [Mordor Intelligence].

This competitiveness has led to several players calling it quits or scaling back; notable examples include Flash Express announcing the cessation of its Malaysian operations effective 31 Jan 2026 (with new shipment acceptance halting from 15 Jan 2026), attributing the decision to intense market competition, high operating costs, and ongoing losses, and Pos Malaysia recording a cumulative net loss of RM132.2m for 9MFY25 (widening from RM125.5m in the prior

corresponding period), driven in part by persistent challenges in its logistics segment (including dampened demand in automotive and freight sectors, marine vessel downtime, and margin pressure from aggressive pricing and structural issues), forcing ongoing turnaround strategies and restructuring of loss-making units [Bernama; Business Today].

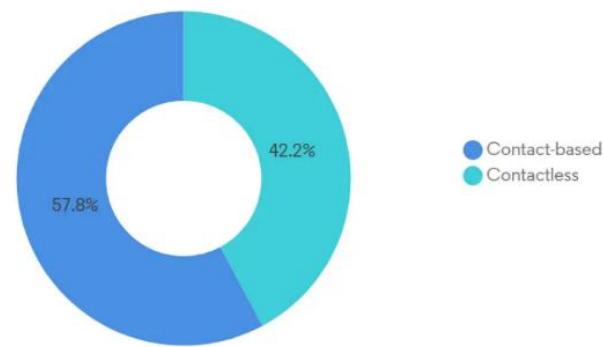
Other players face similar pressures, compounded by rising fuel costs following the government's diesel subsidy rationalisation in June 2024 (initially increasing retail prices from RM2.15 to RM3.35 per litre), with prices fluctuating weekly under the Automatic Pricing Mechanism and standing at c.RM2.94–RM3.02 per litre in Peninsular Malaysia as of late December 2025, labour shortages (including over 4,000 unfilled truck driver positions), and overcapacity from rapid entrant growth post-pandemic [Ministry of Finance Malaysia; The Edge Malaysia; Mordor Intelligence]. Earlier instances, such as smaller firms exiting during the 2022–2023 post-pandemic recovery, highlight how these factors have squeezed margins for many, leading to industry consolidation and favouring scaled players with tech-enabled efficiencies [Mordor Intelligence]. Overall, while the sector shows resilient growth, sustained competitiveness may drive further exits or mergers, benefiting integrated providers like GDEX.

### ***Integrated POS Systems***

The integrated point-of-sale (POS) payments market in Malaysia and Southeast Asia comprises cloud-based, mobile and hybrid platforms that combine transaction processing, inventory management, customer relationship management (CRM) and analytics into a unified system, enabling omnichannel retail operations and seamless acceptance of contactless payments, e-wallets and QR codes [Mordor Intelligence; Frost & Sullivan]. Cloud-based inventory management is a core feature of these platforms, allowing real-time stock synchronisation across locations and sales channels, improving inventory visibility, automating replenishment and reducing manual errors, with industry case studies indicating meaningful operational cost efficiencies and improved scalability for multi-outlet merchants [Frost & Sullivan; ConnectPOS].

**Figure 7: SEA POS Terminal Market: Market Share by Mode of Payment Acceptance (2024)**

Southeast Asia POS Terminal Market: Market Share by Mode of Payment Acceptance, 2024



Source: Mordor Intelligence

Source: Mordor Intelligence

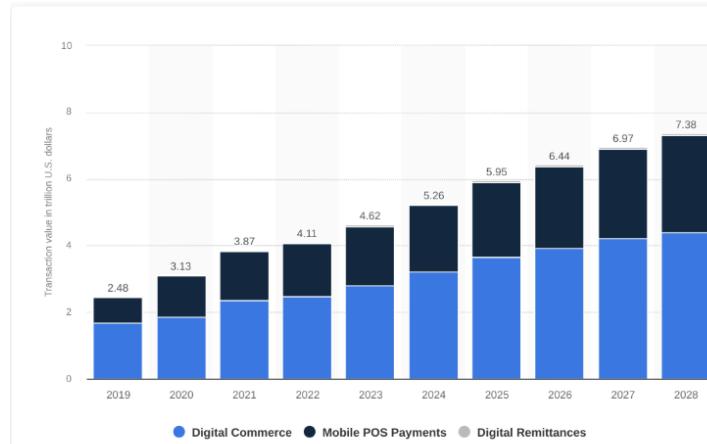


Figure 8: SEA POS Terminal Market: Market Size (2025-2030)



Source: Mordor Intelligence

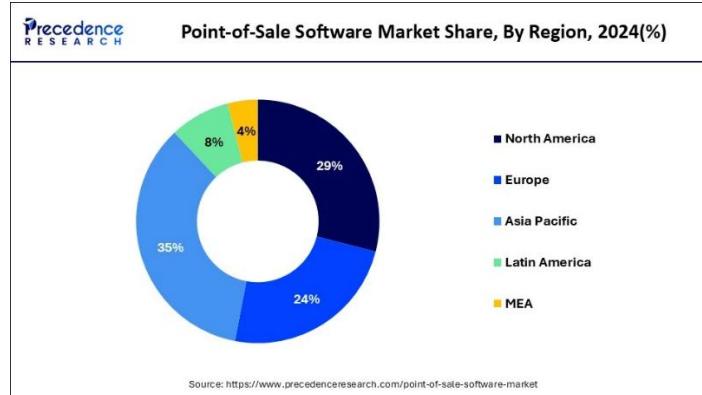
Figure 9: SEA POS Transactions (2019-2028)



Source: Statista

This functionality has become increasingly critical amid rapid e-commerce growth, supporting SMEs and retail chains operating in high-velocity sales environments across retail, food & beverage (F&B) and hospitality sectors, as Southeast Asia accelerates its transition toward cashless and digitally integrated economies. Regionally, the POS terminal market is estimated at USD4.96bn in 2025 and projected to reach USD10.3bn by 2030, implying a mid-teens CAGR, driven by rising smartphone penetration, regulatory support for digital payments and post-pandemic demand for contactless solutions [Mordor Intelligence].

Figure 10: POS Software Market Share by Region (2024)



Source: Precedence Research

Figure 11: Asia Pacific POS Terminal Market Size (2022-2032)



Source: Global Market Insights Inc.

Broader digital payments transaction value in Southeast Asia is expected to approach USD1tn in 2025, with sustained growth through the decade as POS systems increasingly integrate with mobile wallets and interoperable QR payment schemes [Statista]. In Malaysia, growth in integrated POS and payment solutions is supported by national initiatives such as the Malaysia Digital Economy Blueprint, increasing SME digitisation and widespread adoption of unified QR payments such as DuitNow QR [Verified Market Research].

Adoption rates for integrated POS systems vary across the region, with higher penetration among urban and organised retailers, particularly in F&B and convenience formats, while uptake in rural areas remains more limited due to infrastructure and cost considerations [Mordor Intelligence; Grand View Research]. Across Southeast Asia, declining reliance on cash and rising QR and e-wallet usage continue to support POS deployment, driven by lower merchant costs, ease of setup and strong government-backed interoperability frameworks including PromptPay (Thailand) and QRIS (Indonesia) [IMF; NORBr].

### Outlook – Low Integrated POS Penetration Suggests Significant Upside

The market remains moderately competitive and fragmented, with global, regional and local players competing on feature depth, pricing and ecosystem integration. Key players include StoreHub, Qashier, Lightspeed Commerce, NCR Voyix, PAX Technology and Shopify POS, alongside regionally focused providers offering localisation and SME-friendly solutions [Mordor Intelligence; ConnectPOS]. Xilnex, with over 40,000 installations across multiple Southeast Asian markets, occupies a solid mid-tier position, particularly within retail and F&B chains, supported by strong inventory, CRM and payment integration capabilities [Company Data; Mordor Intelligence].

Looking ahead, the sector is poised for continued expansion, underpinned by SME digitisation, e-commerce growth, AI-enabled analytics and government incentives promoting cashless transactions. However, cybersecurity risks, upfront adoption costs and interoperability challenges with legacy systems remain key constraints, suggesting opportunities for consolidation among scalable, well-capitalised providers [Frost & Sullivan; Grand View Research].

### Cybersecurity

Cybersecurity has become critically important in the digital era as organisations and governments increasingly rely on interconnected digital systems for economic activity, governance, and daily life. This reliance has significantly expanded attack surfaces, exposing economies to cyber threats that can result in financial losses, data breaches, operational downtime, and long-term reputational damage.

In Malaysia and Southeast Asia, where digital economies are expanding rapidly (driven by e-commerce, fintech, cloud computing, and mobile connectivity), cyber threats pose existential risks to critical infrastructure, sensitive personal data, and business continuity [Mordor Intelligence]. High-impact threats such as ransomware can halt operations in manufacturing, logistics, healthcare, and government services, while data exfiltration and credential theft undermine intellectual property protection and consumer trust. These risks are compounded by the proliferation of IoT devices, 5G networks, remote and hybrid work models, and increasingly sophisticated, AI-enabled attack vectors such as automated phishing, deepfakes, and polymorphic malware [Deloitte]. Globally and regionally, cybercrime-related economic losses are projected to exceed trillions of dollars annually, incentivising cybersecurity spending that consistently outpaces GDP growth [Mordor Intelligence].

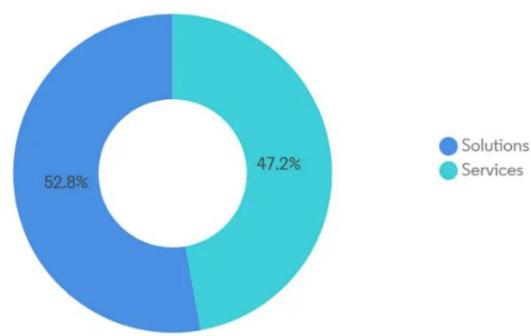
### Malaysia Cybersecurity Market Overview

Malaysia's cybersecurity market is transitioning from a historically reactive, perimeter-focused security posture toward a policy-driven, compliance-led, and services-oriented ecosystem, aligned with the government's digital transformation agenda under MyDIGITAL and the Malaysia Digital Economy Blueprint [Mordor Intelligence]. As digital adoption accelerates across government, BFSI, healthcare, logistics, and manufacturing, cybersecurity is increasingly viewed as a strategic enabler rather than a discretionary IT expense.

Malaysia's cybersecurity market is estimated at c.USD6.2bn in 2025, and is projected to expand to USD8.7bn by 2030, representing a CAGR of c.7.3% [Mordor Intelligence]. While this growth rate is lower than that of some emerging ASEAN peers, it reflects Malaysia's relatively higher market maturity and stronger regulatory enforcement. Demand growth is increasingly driven by compliance requirements, cloud migration, data protection mandates, and enterprise risk management, rather than first-time adoption. Spending patterns are shifting away from standalone hardware appliances toward software-led, identity-centric, and managed security solutions [Mordor Intelligence]. Below are three reasons behind the growth and importance of the Cybersecurity market in Malaysia.

**Figure 12: Malaysia Cybersecurity Market Share by Offering (2024)**

Malaysia Cybersecurity Market: Market Share by Offering, 2024

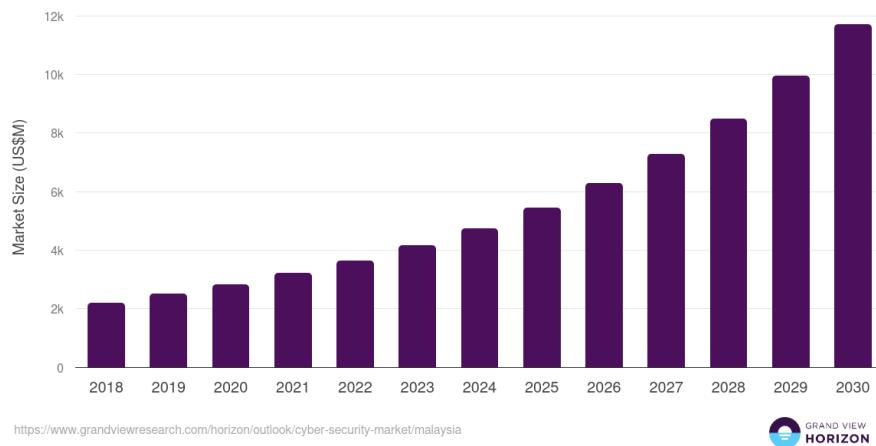


Source: Mordor Intelligence

Source: Mordor Intelligence



Figure 13: Malaysia Cybersecurity Market (2018-2030)

**Malaysia cyber security market, 2018-2030**


Source: Grand View Research

**(i) Regulatory Environment as a Structural Driver**

A defining catalyst for cybersecurity investment in Malaysia is the enforcement of the Cyber Security Act 2024, which came into effect in August 2024 [NACSA]. The Act imposes mandatory cybersecurity obligations on entities classified as National Critical Information Infrastructure (NCII) operators, spanning sectors such as government, banking and insurance, telecommunications, energy, transportation, healthcare, and digital services.

Key regulatory implications include:

- Mandatory cybersecurity risk assessments and audits
- Incident reporting obligations to national authorities
- Licensing and oversight of cybersecurity service providers
- Greater accountability at board and senior management levels

These measures have materially accelerated demand for governance, risk and compliance (GRC) solutions, managed detection and response (MDR), incident response readiness, penetration testing, and consulting services, particularly among regulated enterprises and government-linked entities [NACSA; Trade.gov].

**(ii) Threat Landscape and Incident Trends**

Malaysia continues to record a high volume of cyber incidents annually, with threats ranging from phishing and malware to ransomware and advanced persistent threats (APTs). National monitoring by MyCERT indicates that financial institutions, SMEs, healthcare providers, and public-sector agencies remain frequent targets [CyberSecurity Malaysia]. Cumulative financial losses from cybercrime in Malaysia have exceeded RM1bn in recent years, underscoring the economic severity of cyber risks [CyberSecurity Malaysia]. Ransomware attacks have heightened enterprise focus on resilience, backup strategies, business continuity planning, and cyber insurance, reinforcing demand for proactive and managed security solutions.

## Segment and Industry Breakdown

Malaysia's cybersecurity spending spans multiple solution categories:

- **Network and perimeter security**
- **Endpoint and identity & access management (IAM)**
- **Cloud and application security**
- **Managed security services**, which represent the fastest-growing segment due to skills shortages and cost efficiency [Mordor Intelligence]

From an industry perspective, banking and financial services (BFSI) account for the largest share of cybersecurity expenditure (c.22%), driven by regulatory scrutiny, fraud risks, and digital banking adoption. Other major verticals include government, telecommunications, healthcare, energy/utilities, logistics, and manufacturing, where system downtime has systemic economic implications [Mordor Intelligence].

### (iii) Talent Constraints and Managed Services Adoption

Despite rising cybersecurity budgets, Malaysia faces a structural shortage of skilled cybersecurity professionals, consistent with broader ASEAN trends [Deloitte]. This has accelerated enterprise reliance on outsourced and managed security services, including SOC outsourcing, MDR, threat intelligence, and consulting-led implementations.

Consequently, cybersecurity spending is increasingly shifting from one-off capital expenditure toward recurring, subscription-based service models, supporting more predictable revenue streams for vendors and integrators offering end-to-end solutions [Mordor Intelligence].

## Competitive Landscape and Positioning

The cybersecurity market in Malaysia and Southeast Asia is competitive and fragmented, dominated by global vendors such as IBM, Cisco, Microsoft, Palo Alto Networks, Fortinet, and Trend Micro, complemented by regional and local specialists offering localisation, integration, and managed services [Mordor Intelligence].

Local value-added distributors and system integrators play a critical role by:

- Navigating regulatory and compliance requirements
- Providing local-language support and sector-specific customisation
- Delivering proofs-of-concept (POCs), integration, training, and post-deployment services

Within this ecosystem, Anon Security occupies a niche but growing position as a value-added distributor and channel partner for premium global cybersecurity vendors. The company focuses on AI/ML-driven, prevention-first, and zero-trust-aligned solutions, serving government agencies, regulated enterprises, and high-value corporate clients [Company Profile; Partnership Announcements]

Anon holds leading distributorships in Malaysia (with regional extensions) for vendors including Okta, BlackBerry, Cellepoint, CloudSEK, Ridge Security, DTEX, and LMNTRIX, enabling it to deliver integrated, best-of-breed solutions across identity security, endpoint protection, email security, insider risk, and MDR. While not among the largest revenue players, Anon's rapid growth has contributed meaningfully to GDEX Berhad's IT segment turnaround and return to

profitability, positioning it as an emerging mid-tier player benefiting from regulatory-driven demand and enterprise digitalisation.

### Outlook – Structural Tailwinds to Sustain Cybersecurity Market Growth

The cybersecurity outlook for Malaysia and Southeast Asia remains structurally positive. Growth is supported by:

- Enforcement of cybersecurity legislation and compliance mandates
- Continued cloud adoption and digital public services expansion
- Rising adoption of zero-trust architectures, identity-first security, and AI-driven threat detection
- Rapid growth in managed security and consulting services [Mordor Intelligence]

While challenges such as talent shortages, SME affordability constraints, and evolving threat sophistication remain, Malaysia's role as a regional digital, logistics, and services hub positions it as a key gateway for ASEAN-wide cybersecurity deployments. Overall, the market is poised for sustained expansion, with recurring, services-led revenue models increasingly shaping the competitive landscape.

### *E-Commerce Market Overview and Outlook*

The e-commerce platforms market in Malaysia and Southeast Asia represents one of the world's most dynamic digital retail ecosystems, underpinned by mobile-first consumer behaviour, rapid social commerce adoption, and expanding cross-border trade flows. The ecosystem is dominated by large horizontal marketplaces (such as Shopee and Lazada), fast-growing social commerce platforms (TikTok Shop), and selected vertical or D2C-enabling platforms, all of which increasingly offer end-to-end solutions spanning payments, logistics enablement, seller tools, and live-streaming commerce to capture a young, digitally native population.

### Regional Market Size and Growth (Southeast Asia)

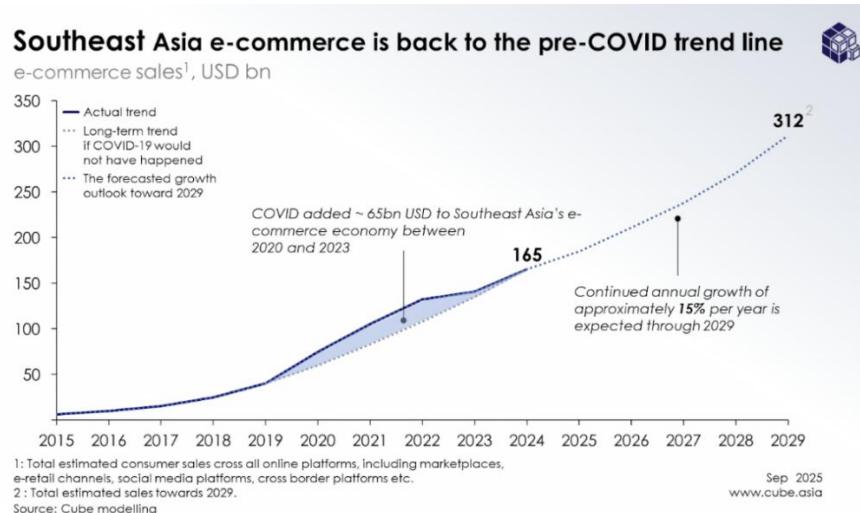
Southeast Asia's e-commerce market has reached significant scale and continues to expand at a double-digit pace:

- Regional e-commerce Gross Merchandise Value (GMV) is estimated at c.USD128–159bn in 2024, depending on scope (marketplace GMV versus broader online retail definitions).
- GMV is projected to rise to USD185–211bn in 2025, with longer-term forecasts pointing toward USD300–370bn by 2030, implying a CAGR of c.11-15% over the medium term.

[Momentum Works; Statista; Bain & Company]

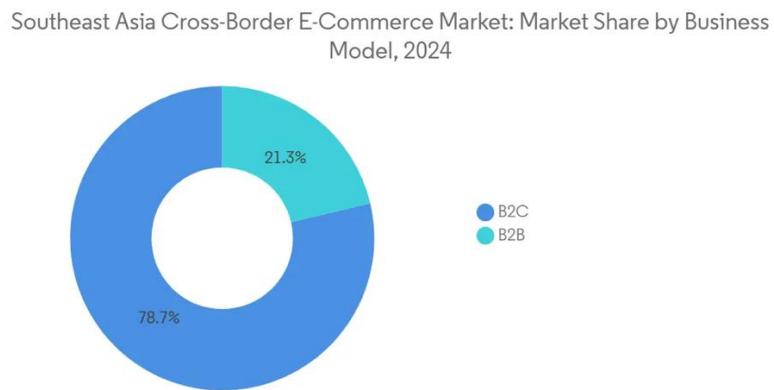
A key structural growth driver is social commerce, which has emerged as one of the fastest-growing sub-segments globally. In Southeast Asia, social commerce is estimated to be valued at USD47.6bn in 2025 and is forecast to expand to c.USD186.5bn by 2030, representing a CAGR of c.31.4%, driven primarily by live-streaming, influencer-led selling, and short-form video shopping formats. [Mordor Intelligence]

Figure 14: SEA E-commerce Trend (2015-2029)



Source: Cube modelling

Figure 15: SEA Cross-Border E-Commerce, Market Share by Model (2024)



Source: Mordor Intelligence



Source: Mordor Intelligence

## Malaysia Market Overview

Malaysia is a meaningful contributor to regional e-commerce growth:

- Malaysia's e-commerce market is estimated at USD10.7bn in 2025 and is projected to reach USD22.2bn by 2030, implying a CAGR of c.15.7%, outpacing overall GDP growth and reflecting continued digital adoption. [Mordor Intelligence]
- User penetration in Malaysia is estimated at c.33–40% in 2025, with adoption expected to rise toward c.50% by 2029, supported by improved digital payments infrastructure and logistics reliability. [Statista; Mordor Intelligence]
- Mobile commerce dominates transaction behaviour, accounting for an estimated 65–80% of total e-commerce orders, reflecting high smartphone penetration and mobile-first platform design. [Statista]

- Government initiatives supporting digital payments (e.g. DuitNow, e-wallet interoperability) and SME digitalisation further underpin Malaysia's structural e-commerce growth trajectory.

## Regional Penetration and Consumer Adoption

Across Southeast Asia, average e-commerce penetration is estimated at c.35–40% of users, with notable divergence by market maturity:

- Singapore leads with penetration rates of c.60–70%, reflecting high income levels and advanced digital infrastructure.
- Emerging markets such as Vietnam and the Philippines are experiencing faster adoption from lower bases, supported by rising internet access and smartphone penetration exceeding c.70% regionally.

[Statista; Grand View Research]

## Competitive Landscape

The Southeast Asian e-commerce platform landscape remains oligopolistic, with market share concentrated among a small number of leading platforms:

- Shopee remains the market leader, with an estimated c.48–52% share of regional platform GMV in recent years.
- TikTok Shop has rapidly gained share following its integration of social commerce and content-driven discovery, capturing an estimated c.20–30% share in selected markets and categories.
- Lazada maintains a solid position with an estimated c.16–20% share, particularly in electronics and branded goods.

[Momentum Works; Tech in Asia]

In Malaysia, Shopee similarly dominates, while Lazada and TikTok Shop compete aggressively in high-growth verticals such as fashion, beauty, and lifestyle products. Other platforms include Tokopedia (primarily Indonesia-focused following its integration with TikTok) and legacy local players such as Lelong.my, which now hold comparatively niche positions.

## Strategic Implications for GDEX Berhad (via Shopify Partnership)

GDEX stands to benefit structurally from the expansion of e-commerce platforms through its strategic partnership with Shopify, formalised in November 2024 via its IT subsidiary Sweetmag Solutions, a recognised Shopify Plus partner.

This collaboration integrates GDEX's domestic and cross-border logistics capabilities with Shopify's merchant ecosystem, enabling:

- Seamless shipping, fulfillment, and last-mile delivery for Malaysian Shopify merchants
- Support for cross-border e-commerce expansion, particularly within Southeast Asia
- Higher exposure to SME and D2C merchants, a fast-growing segment of the e-commerce value chain

As Shopify merchants scale alongside Malaysia's e-commerce growth, GDEX benefits through:

- Increased and more predictable parcel volumes
- Greater exposure to higher-margin B2C last-mile deliveries

- Potential cross-selling into warehousing, fulfillment, and digital services under its broader GD Xchange ecosystem

This positions GDEX to capture logistics-led upside from the sector's expected doubling in scale toward 2030, while diversifying revenue beyond traditional express delivery.

### ***Cloud Subscription Services Market Overview and Outlook in Malaysia and Southeast Asia***

The cloud subscription services market (encompassing Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS)) is experiencing robust growth in Malaysia and Southeast Asia, driven by accelerating digital transformation, cost efficiencies, scalability, and the rapid adoption of AI and machine learning workloads. Subscription-based cloud models enable enterprises and SMEs to access on-demand computing resources without significant upfront capital expenditure, allowing flexible pay-as-you-go pricing aligned with operational requirements and business growth cycles.

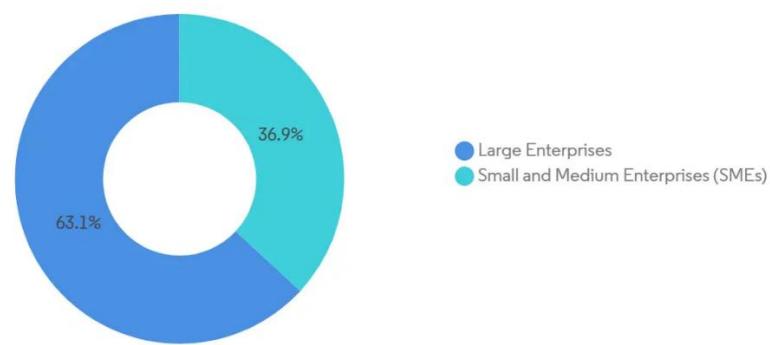
### **Southeast Asia (ASEAN) Market Landscape**

In Southeast Asia, the cloud computing market is estimated at c.USD20–23bn in 2025 and is projected to reach USD40–45bn by 2030, implying a mid-teens CAGR over the period [Mordor Intelligence]. Growth is underpinned by rising digitalisation across enterprises, increasing cloud adoption by SMEs, and sustained investments by hyperscalers expanding regional availability zones. Cloud adoption rates vary significantly across ASEAN. Overall enterprise cloud penetration is estimated at c.35–50%, with more mature markets such as Singapore exhibiting higher adoption rates of c.60–70%, while emerging markets such as Indonesia and Vietnam remain at c.30–40% [Mordor Intelligence; Grand View Research].

SME cloud penetration (despite SMEs comprising over 97% of businesses in ASEAN) lags enterprise adoption at c.30–50%, but is accelerating due to government incentives, improved connectivity, and aggressive outreach by hyperscalers and local managed service providers [Grand View Research]. The broader Asia-Pacific public cloud market (including ASEAN) is projected to grow at c.19–20% CAGR through 2030, with certain public cloud sub-segments (particularly IaaS and AI-driven workloads) growing above 20% CAGR [Mordor Intelligence; Statista].

**Figure 16: ASEAN Cloud Computing Market, Market Share by Organisation Size (2024)**

ASEAN Cloud Computing Market: Market Share by Organization Size, 2024

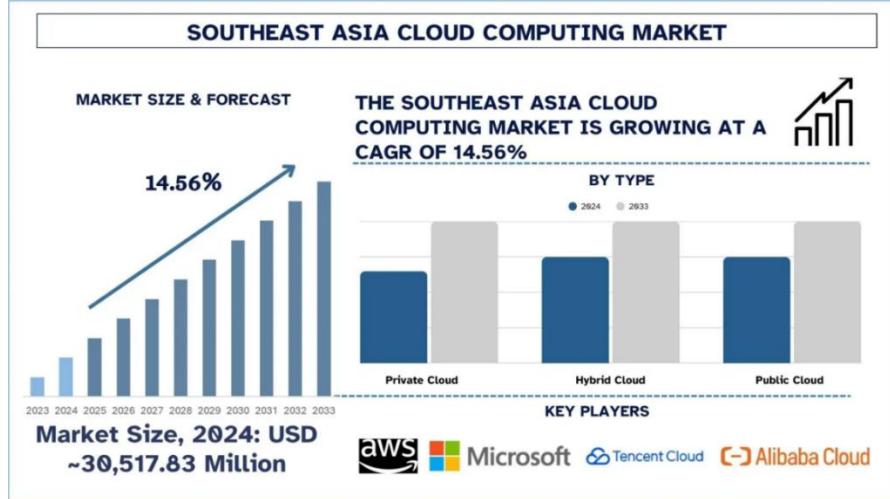


Source: Mordor Intelligence

Source: Mordor Intelligence



Figure 17: ASEAN Cloud Computing Market, Market Share by Organisation Size (2024)



Source: Southeast Asia Cloud Computing Market Size & Forecast, 2033

## Malaysia Market Dynamics

Malaysia represents a key growth engine within ASEAN's cloud ecosystem. Among urban and organised enterprises, adoption of basic cloud services (e.g., SaaS productivity tools, data storage, collaboration platforms) is estimated at c.50–70%, while SME adoption remains lower at c.30–50%, reflecting a persistent digital divide between urban and rural areas [Mordor Intelligence; Malaysia Digital Economy Corporation]. Notably, SME cloud usage in Malaysia remains heavily skewed toward SaaS solutions rather than deeper IaaS or PaaS deployments.

Government-led initiatives are a major catalyst for cloud adoption. Programmes such as the MyDIGITAL Blueprint, National Cloud Policy, and SME digitalisation grants actively promote cloud-first strategies, sovereign cloud adoption, and SME participation in the digital economy [Malaysia Digital Economy Corporation]. While Malaysia-specific cloud market sizing varies by study and scope, related indicators (such as data centre investments and hyperscaler commitments) signal strong underlying momentum supporting long-term cloud adoption.

## SME Adoption Drivers

SMEs across Malaysia and ASEAN are increasingly pivoting toward cloud subscription models due to several structural advantages:

- Cost efficiency: Cloud adoption eliminates upfront hardware investments and converts fixed IT costs into variable operating expenses, reducing IT costs by c.25–40% on average, and up to c.50% in legacy-heavy setups [Frost & Sullivan; Fortune Business Insights].
- Scalability and flexibility: Cloud enables rapid scaling without over-provisioning, well suited to SMEs with fluctuating demand patterns.
- Remote work enablement and agility: Cloud platforms support hybrid and remote working environments post-pandemic.
- Access to advanced technologies: SMEs gain access to AI/ML, analytics, and cybersecurity tools without in-house expertise.
- Policy support: Government subsidies, training programs, and cloud-first mandates significantly lower adoption barriers [Frost & Sullivan].

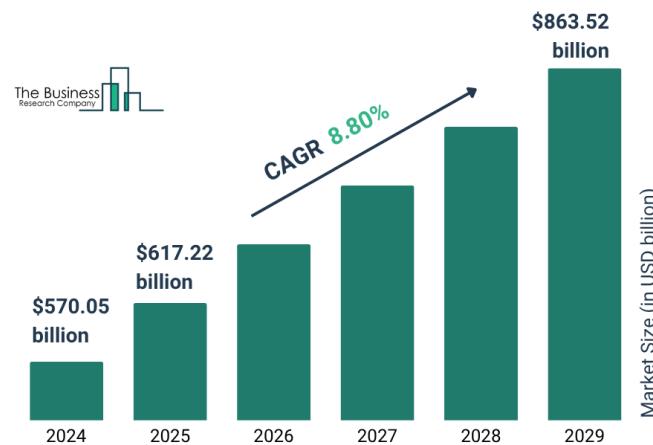
This structural shift underscores cloud computing as an increasingly essential enabler of SME competitiveness in e-commerce and digital-first business models.

## Competitive Landscape

Globally, the “Big Three” hyperscalers (AWS c.30%), Microsoft Azure (c.20%), and Google Cloud (c.13%) collectively control over 60% of global cloud infrastructure services [Synergy Research Group]. In Southeast Asia and Malaysia, however, regional and China-based providers have gained meaningful traction due to data sovereignty, localisation, and pricing considerations.

**Figure 18: Cloud Services Global Market Report 2025**

### Cloud Services Global Market Report 2025



Source: *The Business Research Company*

Alibaba Cloud and Huawei Cloud have established strong regional footprints, particularly among government entities and regulated industries prioritising compliance with local data protection requirements such as Malaysia’s PDPA and evolving cloud regulations [Mordor Intelligence]. Meanwhile, AWS, Azure, and Google Cloud continue to dominate enterprise-scale deployments, especially for AI, analytics, and mission-critical workloads.

Local system integrators, resellers, and managed service providers play a critical role in enabling adoption (particularly for SMEs) by offering migration support, localised billing, and managed cloud services. Public cloud remains the dominant deployment model, while hybrid cloud adoption is growing the fastest (approximately mid-teens CAGR), driven by regulated industries seeking to balance scalability with data control [Mordor Intelligence].

## Growth Drivers and Challenges

Key growth drivers include the regional e-commerce boom (ASEAN online retail approaching c.USD200bn by 2025), rising AI adoption requiring scalable compute, proliferation of 5G and IoT applications, and sustained cost savings versus on-premises infrastructure [Fortune Business Insights]. Government policies, including Malaysia’s cloud-first public sector initiatives and broader ASEAN digital integration frameworks, further accelerate adoption, supported by continued hyperscaler investments in local cloud regions.

Key challenges remain, particularly for SMEs, including data sovereignty concerns, cybersecurity risks, cloud skills shortages, and relatively high initial migration costs for legacy IT systems [Frost & Sullivan].

## Outlook – Structural Demand to Drive Sustained Growth in Cloud Subscription Services

The outlook for cloud subscription services in Malaysia and Southeast Asia remains exceptionally strong. ASEAN cloud spending is expected to approximately double by 2030, driven by AI-centric workloads, continued SME digitalisation, and green data centre investments. Malaysia is positioning itself as a regional cloud and data hub through targeted incentives aimed at attracting hyperscalers and strengthening local cloud ecosystems. Overall, cloud subscription services are poised to play a significant enabling role in Southeast Asia's digital economy, supporting productivity gains, innovation, and long-term economic growth [IDC; Mordor Intelligence].

### ***Workspace Solutions Market Overview in Malaysia and Southeast Asia***

The workspace solutions market (covering digital collaboration platforms, team messaging, video conferencing, document collaboration, workflow automation, and unified productivity suites) has experienced accelerated adoption across Malaysia and Southeast Asia. This growth is driven by the structural shift toward hybrid and remote work models, increased cross-border collaboration, and enterprise-wide digital transformation initiatives. Modern workspace platforms increasingly consolidate messaging, meetings, file sharing, task management, and AI-enabled features into integrated “all-in-one” environments designed to enhance productivity for distributed teams.

### **Global and Regional Market Context**

Globally, the team collaboration and digital workspace software market is estimated to be valued at c.USD24–38bn in 2025, depending on scope (pure collaboration tools versus broader unified communications and productivity suites). The market is projected to expand to USD58–75bn by 2032–2034, implying CAGRs of c.9–12%, supported by ongoing cloud migration, AI integration, and flexible work practices. [SkyQuest; Fortune Business Insights; USD Analytics]

Asia-Pacific (APAC), which includes Southeast Asia, represents one of the fastest-growing regions globally, with estimated growth rates often exceeding 10–13% CAGR, outpacing North America and Europe. Growth is driven by SME digitalisation, mobile-first workforces, expanding regional trade, and lower legacy IT constraints compared to mature markets. [Grand View Research; Straits Research]

### **Southeast Asia Market Overview**

Southeast Asia exhibits strong momentum in workspace and collaboration software adoption, albeit from a lower penetration base compared to developed markets:

- Narrower estimates for collaboration software revenue in Southeast Asia point to a market size of c.USD200–225m by 2029, growing at c.3–8% annually when limited to core collaboration tools. [Statista]
- However, broader UCaaS and integrated workspace segments (including video, cloud telephony, workflow tools, and AI productivity features) show materially higher growth rates, reflecting expanding use cases across enterprises and SMEs. [Statista]

Enterprise and SME penetration across Southeast Asia is estimated at c.30–50%, with adoption supported by:

- High smartphone and mobile broadband penetration
- A young, digitally fluent workforce

- Rising acceptance of cloud-based SaaS subscriptions

Despite this progress, penetration remains below mature markets, leaving substantial headroom for growth. [Statista; Mordor Intelligence]

## Malaysia Market Overview

In Malaysia, workspace solutions adoption is closely aligned with national digitalisation priorities under the MyDIGITAL Blueprint, which promotes cloud adoption, remote work enablement, and SME productivity enhancement:

- Adoption among urban and large enterprises is estimated at c.40–60%, particularly for messaging, video conferencing, and cloud document collaboration.
- SMEs exhibit lower but rapidly rising adoption rates, driven by affordable SaaS pricing, government incentives, and the need for flexible, scalable tools without upfront IT investment. [Malaysia Digital Economy Corporation; Mordor Intelligence]

The shift toward hybrid work, combined with cross-border operations across ASEAN, is accelerating demand for platforms that support multilingual collaboration, mobile-first usage, and workflow automation.

## Competitive Landscape

The global and regional workspace solutions market remains highly competitive and concentrated among large platform providers:

- **Microsoft Teams** leads globally, benefiting from deep integration with Microsoft 365 and an estimated c.30–40% share across related collaboration categories.
- **Slack** retains a strong position in enterprise messaging, with an estimated c.18–20% share, particularly among technology and knowledge-based organisations.
- **Zoom** remains a leading provider in video conferencing, while Google Workspace maintains a solid presence through Gmail, Docs, and cloud-native collaboration. [6Sense; Mordor Intelligence]
- **Lark** is one of the fastest growing workspace solutions as market share is still low, estimated to be below 1%.

These platforms dominate large enterprises, but pricing complexity, feature fragmentation, and tool sprawl have created opportunities for alternative, integrated workspace solutions, particularly among SMEs.

## Outlook – Exponential Growth Expected Over the Medium Term

Key growth drivers for workspace solutions in Malaysia and Southeast Asia include:

- Continued adoption of hybrid and remote work models
- Integration of AI-driven productivity features (summarisation, translation, automation)
- SME demand for cost-effective, scalable, cloud-native tools
- Efforts to reduce fragmented software stacks and improve operational efficiency

Asia-Pacific is expected to remain one of the fastest-growing regions globally for workspace solutions, positioning digital collaboration platforms as core infrastructure for productivity, regional integration, and digital economic growth. [Mordor Intelligence; Grand View Research].

## **After Sales & Post-Implementation Services Market Outlook**

After-sales and post-implementation services form an increasingly important component of enterprise technology markets, particularly across cybersecurity, cloud computing, digital workplace solutions and ERP systems. While market research firms provide clear sizing for several service-led subsegments, detailed breakdowns of services penetration and margins are not consistently disclosed. Nevertheless, analyst commentary and industry disclosures consistently indicate that services represent a structurally attractive segment of the technology value chain, characterised by recurring revenue, long customer relationships and superior profitability relative to pure product resale [source: Gartner; Deloitte Technology Consulting].

### **Cybersecurity: Central Role of Ongoing Services**

In cybersecurity, the effectiveness of deployed solutions depends heavily on ongoing post-implementation services rather than initial product installation alone. These services include managed security operations, continuous threat monitoring, incident response, vulnerability management and compliance reporting [source: Gartner].

Precedence Research estimates the global cybersecurity services market at c.USD170bn+ in the mid-2020s [source: Precedence Research]. In addition, managed security services are estimated at c.USD38–40bn by MarketsandMarkets and Mordor Intelligence [source: MarketsandMarkets; Mordor Intelligence]. These figures highlight the material scale of post-sales activity within the broader cybersecurity ecosystem.

From an economic perspective, industry disclosures and channel benchmarks consistently show that managed and professional cybersecurity services generate meaningfully higher margins than product resale, reflecting their recurring nature, operational criticality and higher value-added content [source: Gartner MSSP benchmarks; ChannelE2E].

### **Cloud Computing: Post-Deployment Services as an Operational Necessity**

In cloud computing, after-sales services have emerged as an essential operational layer rather than a discretionary add-on. As enterprises migrate workloads to public, private and hybrid cloud environments, ongoing management and optimisation become increasingly complex [source: Gartner; IDC].

Market research firms explicitly size cloud managed services as a distinct segment. Mordor Intelligence estimates the global cloud managed services market at c.USD140bn+ [source: Mordor Intelligence]. These services typically encompass infrastructure monitoring, security management, compliance oversight, cost optimisation, backup and disaster recovery, and platform upgrades [source: Grand View Research].

While cloud infrastructure pricing is increasingly competitive, industry commentary consistently indicates that managed services deliver higher margins and more stable revenue profiles than infrastructure resale, supported by long-term service contracts and recurring operational engagement [source: Gartner IT services benchmarks; Accenture disclosures].

### **Digital Workplace Solutions: Continuous Support Requirements**

Digital workplace solutions require sustained after-sales engagement to ensure system reliability, security and employee productivity. The adoption of hybrid and remote work models has increased reliance on third-party providers for ongoing workplace support [source: Gartner].

Mordor Intelligence explicitly sizes the managed digital workplace services market at c.USD56bn [source: Mordor Intelligence]. This segment includes service desk operations, end-

user device and application support, endpoint management and collaboration tool optimisation [source: MarketsandMarkets].

Industry benchmarks consistently indicate that digital workplace services offer a more attractive margin profile than product-centric offerings, albeit with margins influenced by labour intensity and automation levels [source: Deloitte Global Outsourcing Survey; Gartner End-User Computing services benchmarks]. Once embedded into daily operations, these services exhibit high renewal rates and long customer relationships [source: Gartner].

### **ERP Systems: Post-Implementation Services as a Lifecycle Driver**

ERP systems are characterised by long system lifecycles and significant post-go-live service requirements. While market research firms typically focus on total ERP market size, multiple studies explicitly identify implementation, application maintenance and support services as a substantial and recurring component of ERP spending [source: Fortune Business Insights; Mordor Intelligence].

After-sales ERP services include system maintenance, enhancements, integrations, upgrades, regulatory updates and user training [source: Deloitte]. Industry disclosures indicate that ERP service contracts are often multi-year in nature, supporting stable demand and predictable revenue streams over the system lifecycle [source: Accenture enterprise applications disclosures].

Although ERP services are labour-intensive, industry benchmarks consistently show that they generate higher and more stable margins than licence resale, supported by high switching costs and deep integration into customers' core business processes [source: Deloitte ERP benchmarks; Gartner].

### **Structural Factors Supporting After-Sales Services**

Across cybersecurity, cloud, digital workplace and ERP markets, demand for after-sales services is structurally supported by:

- Increasing complexity of enterprise IT and security environments [source: Gartner]
- Persistent shortages of skilled IT and cybersecurity professionals [source: World Economic Forum; Gartner]
- Rising regulatory and compliance requirements [source: Gartner; IDC]
- Enterprise preference for outsourcing non-core IT operations [source: Deloitte]
- Shift toward subscription-based and service-led engagement models [source: IDC]

### **Implications for Technology Service Providers**

For technology distributors and service-oriented providers, after-sales services represent a more resilient and structurally attractive revenue stream than pure product resale. While precise services penetration and margin levels are not uniformly disclosed by market research firms, industry evidence consistently supports the view that services deliver higher profitability, stronger customer retention and greater revenue visibility [source: Gartner; ChannelE2E].

Providers with established capabilities in cybersecurity services, cloud managed services, digital workplace support and ERP post-implementation services are therefore better positioned to generate stable earnings profiles and defend margins over the medium to long term.

Figure 19: Segment Market Size &amp; Market Share

Segment	Total Market Size (2025E)	Services Market Share	Source
<b>Cybersecurity – Broad Services</b>	\$350-400B	~50% of total	Precedence Research (Cybersecurity Services Market); Statista MarketsandMarkets; Mordor Intelligence
<b>Managed Security Services (MSSP)</b>	\$38-40B	-	
<b>Managed Digital Workplace Services</b>	\$56B	-	Mordor Intelligence
<b>Cloud Managed Services</b>	\$140-155B	-	Mordor Intelligence; Grand View Research
<b>ERP (Total Market)</b>	\$70-90B	~30-40%	Fortune Business Insights; Mordor Intelligence
<b>Cloud (Overall Ecosystem)</b>	\$500B+	~40-60%	Grand View Research; Gartner commentary; Mordor Intelligence
<b>Digital Workplace (Total)</b>	\$65-70B	50-70%	MarketsandMarkets; Mordor Intelligence
<b>Cybersecurity (Total Market)</b>	\$220-230B	~45-55%	Fortune Business Insights; MarketsandMarkets; Statista

~ Rough estimation on services market share (not directly from source)

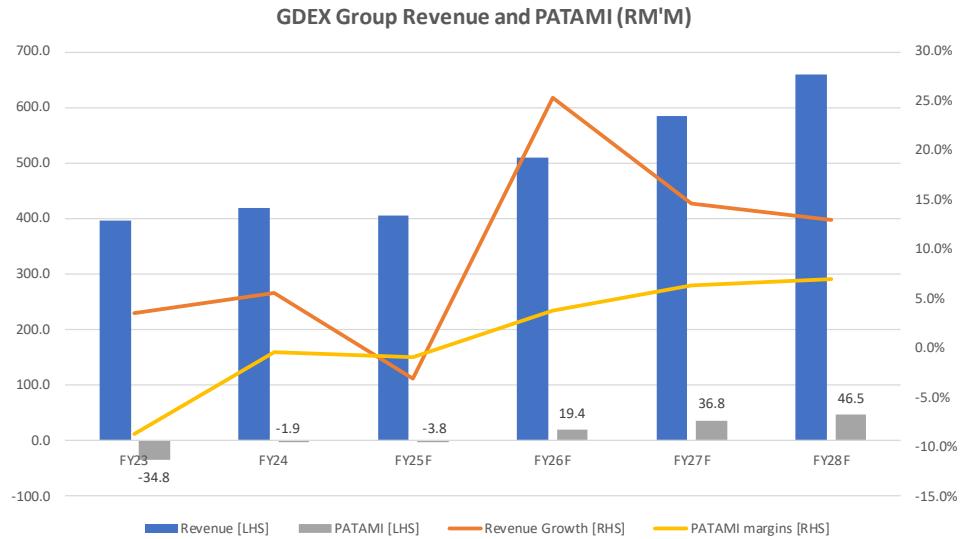
Source: Various, Apex Securities

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## Financial Highlights

**Return to profitability.** GDEX is expected to return to profitability, driven by (i) recovery in its domestic express delivery and logistics business (ii) cost cutting measures in NETCO, (iii) increased revenue and profit from GD Xchange segments, (iv) further internal cost optimisation measures. As these initiatives gain traction, we expect group CNP margins to recover to a healthier 3.8-7.0% over FY26F to FY28F. Going forward, we project GDEX's CNP to grow to RM19.4m/RM36.8m/RM46.5m in FY26-28F at a CAGR of c.55%,

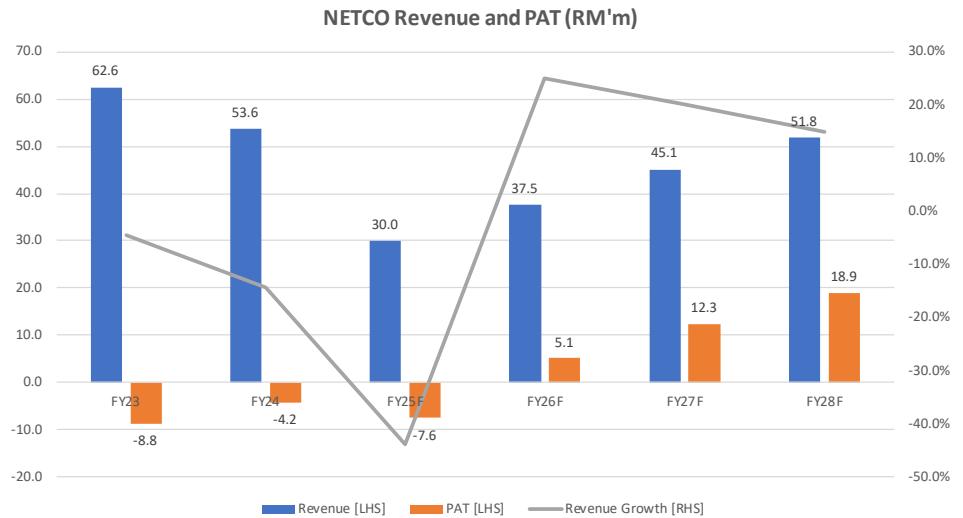
**Figure 20: Revenue, earnings and margin from FY23 to FY28F**



Source: Company, Apex Securities

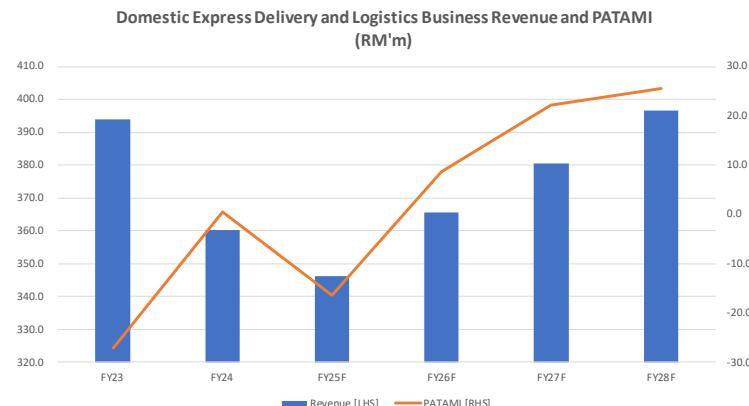
**NETCO and Domestic Express Delivery & Logistics Business.** The swing in profitability from FY25F to FY26F is primarily attributable to its narrowing of losses in NETCO and its increase in revenue from its domestic logistics business as a result of less intense competition and the newly enhanced MY-SG lane.

**Figure 21: Revenue and PAT for NETCO from FY23 to FY28F**



Source: Company, Apex Securities

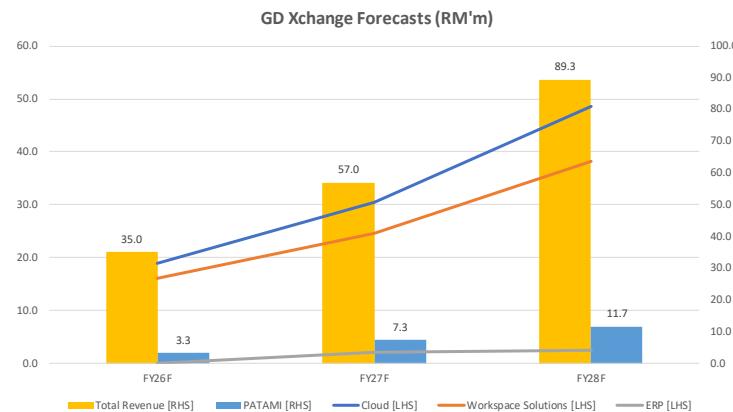
**Figure 22: Domestic Express Delivery & Logistics Business Revenue and PATAMI (FY23-FY28F)**



Source: Company, Apex Securities

**GD Xchange.** Increase in profits from FY26F to FY27F and FY28F will be primarily driven by its GD Xchange and its subsidiaries, while the logistics business continues to recover.

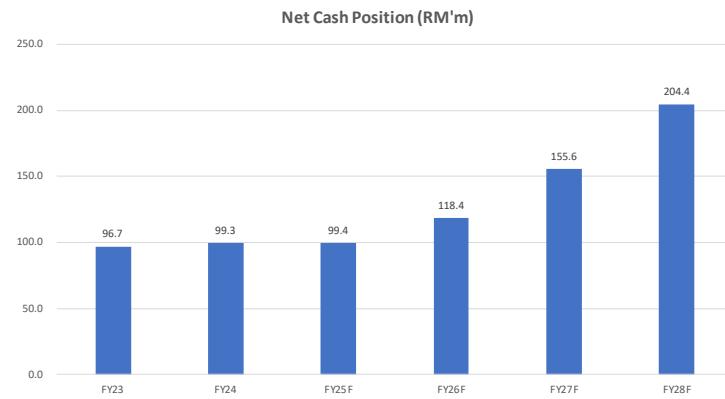
**Figure 23: GD Xchange Forecasts (FY26-FY28F)**



Source: Company, Apex Securities

**Strong Balance Sheet.** The Group maintained a net cash position of RM99.3m in FY24, equivalent to c.14% of its current market capitalisation. We expect GDEX's net cash position to strengthen further to RM118.4m/RM155.6m/RM204.4m in FY26F/FY27F/FY28F as the group returns to profitability. This balance sheet strength provides financial flexibility to fund expansion within its core logistics business and to support growth investments across its GD Xchange technology-related segments, without the need for material external financing.

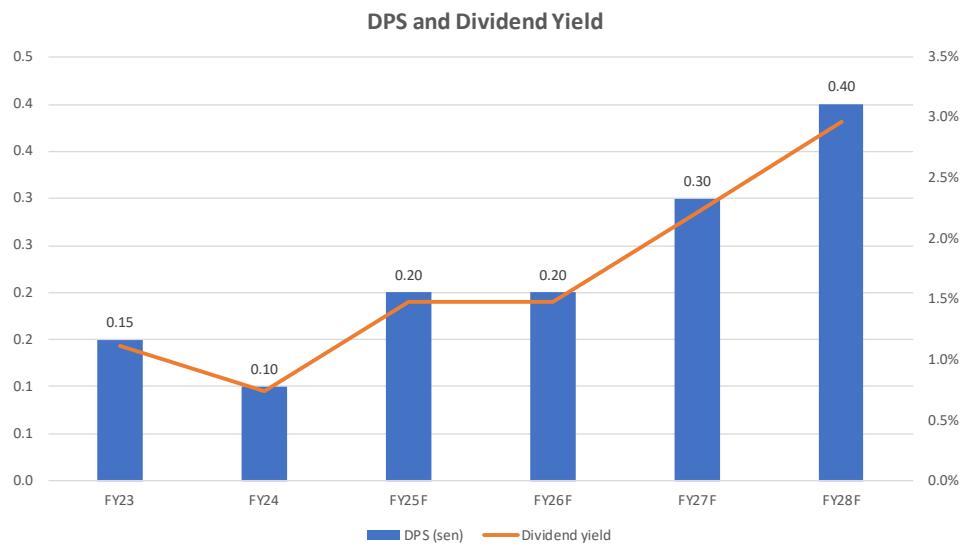
**Figure 24: Net Cash Position (FY23-FY28F)**



Source: Company, Apex Securities

**Dividends.** The Group has a track record of consistent dividend payments, albeit at a modest payout ratio of c.1% over FY21 to FY24. As earnings visibility improves alongside the group's return to profitability, we expect dividend payouts to normalise to 30 to 40% from FY26 onwards. This implies dividend yields of c.2 to 3%, based on the current share price of RM0.14 as of 30 Jan 2026.

**Figure 25: Dividends**



Source: Company, Apex Securities

## Valuation & Recommendation

We initiate coverage on GDEX with a **BUY** recommendation and a TP of **RM0.20**, based on 30x FY27F EPS of 0.7 sen. We view this valuation as fair, as it is broadly in line with the global peer average P/E of 29.1x, reflecting GDEX's comparable growth profile. At this multiple, the implied PEG ratio of 0.55x suggests that the stock is materially undervalued relative to its strong expected profit CAGR in our view.

While VSTECS is often cited as a local technology peer, we do not believe GDEX should be valued on a like-for-like P/E basis. Unlike VSTECS, GDEX retains a logistics division that is undergoing a strong cyclical recovery, providing an additional earnings growth lever. Furthermore, GDEX's medium-term earnings growth trajectory is significantly higher than that of VSTECS, driven by the scaling of its GD Xchange segment. As such, we believe a higher relative valuation is warranted for GDEX despite its diversified business mix.

With the logistics segment recovering sharply and the GD Xchange segment expected to enter a strong growth phase, we believe a 30x target P/E is justified. The key downside risk to our target price relates to the potential sale of Yamato's stake in the open market. That said, we expect any disposal to be executed primarily via block trades, which should limit market impact. In our view, the risk of Yamato selling shares in the open market only increases meaningfully if GDEX's share price exceeds our target price of RM0.20.

## Peers Comparison

**Figure 26: Comparative valuation of logistics, e-commerce, cybersecurity & IT solutions peers**

Company	Market Cap (RM'm)	Share Price as at 30 Jan 26	Target Price	Potential Upside	P/E (x) FY26	P/E (x) FY27	Dividend Yield (%)
<b>GDEX Bhd</b>	<b>744.4</b>	<b>0.14</b>	<b>0.20</b>	<b>47.5%</b>	<b>40.0</b>	<b>21.1</b>	<b>1.5</b>
<b>Local</b>							
VSTECS Bhd*	1497.5	4.20	5.10	21.4%	14.0	12.4	1.6
<b>Foreign</b>							
J&T Global Express Ltd*	46812.4	HKD 10.41	HKD 13.28	27.6%	20.2	14.3	0.0
S.F. Holding Co Ltd*	106165.4	CNY 37.36	CNY 46.44	24.3%	15.2	13.2	0.0
Shopify Inc*	692982.3	USD 134.13	USD 177.24	32.1%	71.2	54.0	0.0
Palo Alto Networks Inc*	485204.3	USD 176.37	USD 228.93	29.8%	43.8	38.7	0.0
CrowdStrike Holdings Inc*	440978.5	USD 443.18	USD 552.83	24.7%	94.6	74.8	0.0
Fortinet Inc*	240068.3	USD 81.79	USD 86.91	6.3%	27.8	25.1	0.0
Blackberry Ltd*	8296.6	USD 3.59	USD 4.69	30.7%	22.1	19.3	0.0
TD SYNNEX Corp*	51268.8	USD 160.9	USD 179.73	11.7%	10.9	9.9	1.2
<b>Simple Average (Ex-GDEX Bhd)</b>					<b>35.5</b>	<b>29.1</b>	<b>0.3</b>

\*Forecast data denotes Bloomberg consensus estimates

Source: Bloomberg, Apex Securities

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## Investment Risk

**Intensifying Competition and Margin Pressure in Core Express Delivery.** The Malaysian CEP and last-mile segments remain highly competitive and fragmented, characterised by aggressive pricing from local incumbents (Pos Malaysia, J&T Express) and regional players. Recent exits (Flash Express ceasing operations in January 2026) and ongoing restructuring by peers underscore unsustainable margins in certain sub-segments. Sustained price undercutting, overcapacity, or renewed subsidy-driven competition could compress GDEX's yield per parcel and hinder volume recovery, particularly if e-commerce growth moderates below expectations.

**Dependence on E-Commerce Growth Trajectory.** GDEX's core parcel volumes are closely tied to Malaysia and Southeast Asia's e-commerce expansion. Any slowdown in online retail GMV (driven by macroeconomic headwinds, consumer spending weakness, regulatory changes such as social commerce restrictions, or shifts toward physical retail) could negatively affect shipment demand. Whilst partnerships such as the November 2024 Shopify collaboration provide upside leverage, softer-than-expected platform adoption, merchant churn, or delays in realising cross-border synergies may limit the anticipated volume uplift.

**Execution Risks in IT Diversification and GD Xchange Ecosystem.** GDEX's strategic pivot toward higher-margin IT services (cybersecurity via Anon Security, cloud subscriptions via AWS/Huawei, POS via Xilinx, workspace solutions via Lark, and potential Oracle ERP reselling) introduces integration, scaling, and partnership execution challenges. Delays in vendor certifications, customer acquisition, or ramp-up of distributorship revenues could postpone profitability contributions. Additionally, the nascent stage of subsidiaries exposes the group to vendor concentration risk (e.g., reliance on Okta/BlackBerry for Anon) and potential margin volatility in competitive cybersecurity/cloud tenders.

**Major Shareholder Risk – Potential Sale of Yamato Stake.** Yamato Holdings Co., Ltd. (through Yamato Asia) holds 19.7% of GDEX, making it the second-largest shareholder after the founder group. The original investment in 2016 was aimed at strengthening traditional express delivery synergies. GDEX's increasing emphasis on IT diversification and the GD Xchange ecosystem represents a material shift from its core logistics focus at the time of Yamato's entry. Should Yamato view this strategic evolution as diverging from its own priorities or core competencies, it may elect to divest its entire equity stake, potentially creating short-term share price overhang and signalling reduced confidence in the group's direction to the broader investor base.

**Regional Associate and Investment Risks: Focus on NETCO (Vietnam).** GDEX holds a 50% stake in Noi Bai Express and Trading Joint Stock Company (NETCO), a Vietnamese express delivery operator acquired in 2019 to support Indochina expansion. Vietnam's CEP market is highly competitive, with dominant players like GHTK, Viettel Post, and foreign entrants driving aggressive pricing and high operating costs. NETCO has historically contributed losses or marginal profits to GDEX's associate line due to intense rivalry, elevated fuel/labour expenses, and slower-than-expected volume growth amid regulatory and infrastructure constraints. There is also risk of failure to recapture lost revenue momentum from 2025, as market share erosion or delayed recovery in post-pandemic volumes could prolong profitability challenges, potentially leading to continued earnings drag, impairment charges, or strategic review of the investment.

**Regulatory and Compliance Risks.** Increasing scrutiny on data privacy (PDPA), cybersecurity (Cyber Security Act 2024), cloud sovereignty, and potential new e-commerce taxation could raise compliance costs or restrict IT offerings. Changes in logistics regulations (e.g., driver licensing, environmental standards) or cross-border trade rules may impact operational expenses and regional expansion plans.

**Macroeconomic and Input Cost Volatility.** As a fuel- and labour-intensive operator, GDEX remains exposed to diesel price fluctuations following the June 2024 subsidy rationalisation (with ongoing weekly adjustments). Further upward pressures from global oil volatility could

squeeze margins if not fully offset by surcharges. Broader macroeconomic slowdowns affecting consumer spending, manufacturing activity, or SME digitalisation would indirectly reduce parcel, cargo, and IT service demand.

**Talent and Operational Execution Risks.** Persistent labour shortages in drivers and warehouse staff, combined with the need for specialised IT/cybersecurity talent, could constrain capacity expansion or service quality. Execution risks in warehouse automation, regional network buildup (e.g., Indonesia via SAP Express associate), or large-scale IT implementations may lead to higher capex overruns or delayed returns.

Whilst GDEX's diversified ecosystem, strategic partnerships, and regional footprint provide meaningful mitigants, these risks (particularly competitive intensity in core logistics, IT execution hurdles, associate performance in Vietnam, and potential major shareholder actions) warrant close monitoring in a cyclical and rapidly evolving operating environment.

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## Results Comparison

FYE Dec (RM m)	3QFY25	3QFY24	yoy (%)	2QFY25	qoq (%)	9MFY25	9MFY24	yoy (%)	Comments
Revenue	101.3	108.3	(6.5)	98.2	3.1	305.0	304.6	0.1	
Operating expenses	(104.8)	(109.2)	(4.0)	(99.7)	5.2	(310.2)	(315.0)	(1.5)	
Other operating income	2.0	2.5	(20.4)	1.9	3.0	6.3	8.7	(27.6)	
<b>Core EBIT</b>	<b>(1.6)</b>	<b>1.7</b>	<i>nm</i>	<i>0.5</i>	<i>nm</i>	<i>1.1</i>	<i>(1.7)</i>	<i>nm</i>	
Finance costs	(1.2)	(1.1)	0.8	(1.0)	10.3	(3.6)	(3.2)	10.8	
Share of associates	(0.0)	(0.3)	(88.2)	0.1	<i>nm</i>	0.1	0.3	(65.4)	
<b>PBT/(loss)</b>	<b>(2.8)</b>	<b>0.2</b>	<i>nm</i>	<i>(0.4)</i>	<b>523.0</b>	<i>(2.4)</i>	<i>(4.6)</i>	<i>(48.0)</i>	
Tax	(1.7)	(1.1)	61.0	(0.9)	91.9	(3.4)	(1.7)	97.3	
<b>PAT/(loss)</b>	<b>(4.5)</b>	<b>(0.9)</b>	<b>403.5</b>	<b>(1.3)</b>	<b>234.4</b>	<b>(5.8)</b>	<b>(6.3)</b>	<b>(8.6)</b>	
(-) Minority interest	0.8	(0.5)	<i>nm</i>	0.2	255.8	0.8	(0.2)	<i>nm</i>	
<b>PATAMI</b>	<b>(3.7)</b>	<b>(1.4)</b>	<b>157.0</b>	<b>(1.1)</b>	<b>230.1</b>	<b>(5.0)</b>	<b>(6.5)</b>	<b>(23.9)</b>	
(-) Exceptionals	(0.3)	0.0	<i>nm</i>	(0.1)	157.1	(0.0)	0.4	<i>nm</i>	
<b>Core PATAMI</b>	<b>(3.4)</b>	<b>(1.4)</b>	<b>137.5</b>	<b>(1.0)</b>	<b>237.1</b>	<b>(4.9)</b>	<b>(6.9)</b>	<b>(28.2)</b>	
Core EPS (sen)	(0.1)	(0.0)	137.5	(0.0)	237.1	(0.1)	(0.1)	(28.2)	
Core EBIT margin (%)	(1.5)	1.5		0.5		0.4	(0.6)		
PBT margin (%)	(2.7)	0.2		(0.5)		(0.8)	(1.5)		
Effective tax rate (%)	- 160.4	16.7		-49.4		-70.6	-268.1		
Core net profit margin (%)	(3.4)	(1.3)		(1.0)		(1.6)	(2.3)		

Source: Company, Apex Securities

## Segmental Breakdown

FYE Dec (RM m)	3QFY25	3QFY24	yoy (%)	2QFY25	qoq (%)	9MFY25	9MFY24	yoy (%)	Comments
<b>Revenue</b>									
Express Delivery	80.8	88.3	(8.5)	79.1	2.1	4.3	257.2	(98.3)	
Logistics	3.2	3.6	(11.2)	3.6	(11.0)	(7.5)	10.5	<i>nm</i>	
Information Technology	17.3	16.2	6.5	15.4	12.2	19	36.6	(94.7)	
Others	0.0	0.1	(87.8)	0.1	(86.4)	(1.2)	0.3	<i>nm</i>	
<b>Total</b>	<b>101.3</b>	<b>108.3</b>	<b>(6.5)</b>	<b>98.2</b>	<b>3.1</b>	<b>(2.4)</b>	<b>304.6</b>	<b>nm</b>	
<b>PBT</b>									
Express Delivery	(0.1)	2.6	<i>nm</i>	1.7	<i>nm</i>	94.4	3.2	2,872.3	
Logistics	(2.5)	(2.5)	(1.6)	(2.0)	24.2	(9.5)	(7.1)	32.4	
Information Technology	0.5	0.6	(15.5)	0.2	143.5	20.1	1.0	1,925.1	
Others	(0.7)	(0.5)	36.6	(0.3)	94.7	(1.6)	(1.6)	(12)	
<b>Total</b>	<b>(2.8)</b>	<b>0.7</b>	<i>nm</i>	<b>(0.4)</b>	<b>523.0</b>	<b>103.4</b>	<b>(4.6)</b>	<i>nm</i>	
<b>PBT margin (%)</b>									
Express Delivery	-0.1%	3.0%		2.2%		2176.3%	12%		
Logistics	-76.8%	-69.3%		-55.1%		126.7%	-67.9%		
Information Technology	2.7%	3.4%		1.2%		1030.2%	2.7%		
Others	-3666.7%	-326.4%		-256.8%		132.2%	-486.4%		
<b>Aggregate Total</b>	<b>-2.7%</b>	<b>0.6%</b>		<b>-0.5%</b>		<b>-4337.4%</b>	<b>-1.5%</b>		

Source: Company, Apex Securities

# Initiation Coverage

Tuesday, 03 Feb, 2026

## Financial Highlights

### Income Statement

FYE Dec (RM m)	FY24	FY25F	FY26F	FY27F	FY28F
<b>Revenue</b>	<b>419.2</b>	<b>406.2</b>	<b>509.4</b>	<b>583.9</b>	<b>660.0</b>
<b>EBITDA</b>	<b>60.8</b>	<b>47.0</b>	<b>86.8</b>	<b>115.2</b>	<b>133.6</b>
Depreciation & Amortisation	-63.0	-62.0	-60.8	-59.8	-59.0
<b>EBIT</b>	<b>7.1</b>	<b>-2.6</b>	<b>40.9</b>	<b>72.3</b>	<b>94.1</b>
Net Finance Income/(Cost)	-4.8	-5.2	-5.5	-5.7	-6.0
Associates & JV	0.2	0.1	0.2	0.2	0.2
<b>Pre-tax Profit</b>	<b>2.3</b>	<b>-7.8</b>	<b>35.3</b>	<b>66.6</b>	<b>88.2</b>
Tax	-4.2	3.5	-7.2	-14.7	-19.5
<b>Profit After Tax</b>	<b>-2.0</b>	<b>-4.3</b>	<b>28.1</b>	<b>52.0</b>	<b>68.7</b>
Minority Interest	0.1	0.5	-8.7	-15.2	-22.2
<b>Net Profit</b>	<b>-1.9</b>	<b>-3.8</b>	<b>19.4</b>	<b>36.8</b>	<b>46.5</b>
Exceptionals	0.0	0.0	0.0	0.0	0.0
<b>Core Net Profit</b>	<b>-1.9</b>	<b>-3.8</b>	<b>19.4</b>	<b>36.8</b>	<b>46.5</b>

### Balance Sheet

FYE Dec (RM m)	FY24	FY25F	FY26F	FY27F	FY28F
Cash	202.1	213.0	233.3	276.1	330.9
Receivables	98.8	97.0	119.0	137.8	155.9
Inventories	3.1	3.0	3.5	4.0	4.5
Other current assets	15.3	15.3	15.3	15.3	15.3
<b>Total Current Assets</b>	<b>319.3</b>	<b>328.4</b>	<b>371.1</b>	<b>433.3</b>	<b>506.6</b>
Fixed Assets	246.7	231.5	217.5	203.7	192.0
Intangibles	32.4	32.4	32.4	32.4	32.4
Other non-current assets	3.4	3.4	3.4	3.4	3.4
<b>Total Non-Current Assets</b>	<b>282.5</b>	<b>267.3</b>	<b>253.3</b>	<b>239.5</b>	<b>227.8</b>
<b>Total Assets</b>	<b>601.8</b>	<b>595.7</b>	<b>624.4</b>	<b>672.8</b>	<b>734.4</b>
Short-term debt	29.5	32.4	38.2	46.4	52.1
Payables	58.8	57.7	68.8	77.0	87.3
Other current liabilities	5.0	5.0	5.0	5.0	5.0
<b>Total Current Liabilities</b>	<b>93.4</b>	<b>95.1</b>	<b>112.0</b>	<b>128.4</b>	<b>144.3</b>
Long-term debt	73.3	81.2	76.7	74.1	74.4
Other non-current liabilities	5.1	5.1	5.1	5.1	5.1
<b>Total Non-Current Liabilities</b>	<b>78.3</b>	<b>86.3</b>	<b>81.7</b>	<b>79.2</b>	<b>79.5</b>
Shareholder's equity	406.8	392.0	400.3	420.4	444.8
Minority interest	23.2	22.3	30.4	44.7	65.8
<b>Total Equity</b>	<b>430.1</b>	<b>414.2</b>	<b>430.7</b>	<b>465.2</b>	<b>510.6</b>
<b>Total Equity + Liabilities</b>	<b>601.8</b>	<b>595.7</b>	<b>624.4</b>	<b>672.8</b>	<b>734.4</b>

### Key Ratios

FYE Dec	FY24	FY25F	FY26F	FY27F	FY28F
EPS (sen)	0.0	-0.1	0.3	0.7	0.8
P/E (x)	NM	NM	40.0	21.1	16.7
P/B (x)	1.8	1.9	1.8	1.7	1.5
EV/EBITDA (x)	3.3	4.2	2.6	2.4	2.6
DPS (sen)	0.1	0.2	0.2	0.3	0.4
Dividend Yield (%)	0.7%	1.4%	1.4%	2.1%	2.9%
EBITDA margin (%)	14.5%	11.6%	17.0%	19.7%	20.2%
EBIT margin (%)	1.7%	-0.6%	8.0%	12.4%	14.3%
PBT margin (%)	0.5%	-19%	6.9%	11.4%	13.4%
PAT margin (%)	-0.5%	-1.1%	5.5%	8.9%	10.4%
NP margin (%)	-0.4%	-0.9%	3.8%	6.3%	7.0%
CNP margin (%)	-0.4%	-0.9%	3.8%	6.3%	7.0%
ROE (%)	-0.3%	-0.6%	3.1%	5.5%	6.3%
ROA (%)	-0.3%	-0.6%	3.1%	5.5%	6.3%
Gearing (%)	23.9%	27.4%	26.7%	25.9%	24.8%
Net gearing (%)	Net Cash				

### Cash Flow

FYE Dec (RM m)	FY24	FY25F	FY26F	FY27F	FY28F
<b>Pre-tax profit</b>	<b>2.3</b>	<b>-7.8</b>	<b>35.3</b>	<b>66.6</b>	<b>88.2</b>
Depreciation & amortisation	63.0	62.0	60.8	59.8	59.0
Changes in working capital	-10.5	0.7	-11.4	-11.1	-8.2
Others	-14.4	-16.1	-28.0	-38.0	-47.4
<b>Operating cash flow</b>	<b>40.4</b>	<b>38.8</b>	<b>56.8</b>	<b>77.2</b>	<b>91.5</b>
Capex	-5.1	-12.9	-11.6	-7.6	-8.1
Others	2.4	-14.2	-14.6	-15.0	-11.3
<b>Investing cash flow</b>	<b>-2.8</b>	<b>-27.1</b>	<b>-26.1</b>	<b>-22.6</b>	<b>-19.4</b>
Dividends paid	-7.1	-11.1	-11.1	-16.6	-22.2
Others	-31.4	10.4	0.7	4.8	4.8
<b>Financing cash flow</b>	<b>-38.5</b>	<b>-0.7</b>	<b>-10.4</b>	<b>-11.8</b>	<b>-17.4</b>
<b>Net cash flow</b>	<b>-0.8</b>	<b>11.0</b>	<b>20.2</b>	<b>42.9</b>	<b>54.8</b>
Forex	-1.5	0.0	0.0	0.0	0.0
Others	9.8	0.0	0.0	0.0	0.0
Beginning cash	194.7	202.1	213.0	233.3	276.1
<b>Ending cash</b>	<b>202.1</b>	<b>213.0</b>	<b>233.3</b>	<b>276.1</b>	<b>330.9</b>

Source: Company, Apex Securities

## Segmental Highlights

### Segmental Revenue

FYE Dec (RM'm)	FY24	FY25F	FY26F	FY27F	FY28F
Express Delivery & Logistics	365.1	329.0	381.3	414.6	435.3
Information Technology	53.7	77.2	128.1	169.2	224.7
Others	0.4	0.0	0.0	0.0	0.0
Total	419.2	406.2	509.4	583.9	660.0

### Segmental EBIT

FYE Dec (RM'm)	FY24	FY25F	FY26F	FY27F	FY28F
Express Delivery & Logistics	4.8	-17.2	15.9	34.0	38.5
Information Technology	4.1	9.8	21.4	34.2	49.6
Others	7.3	7.2	6.7	6.4	6.8
Total	6.9	-9.8	34.9	65.8	85.7

### Growth

Express Delivery + Logistics	0.7%	-9.9%	15.9%	8.7%	5.0%
Information Technology	60.5%	43.8%	66.0%	32.2%	32.8%
Others	-59.5%	-100.0%	NM	NM	NM
Total	5.5%	-3.1%	25.4%	14.6%	13.0%

### Margins

Express Delivery + Logistics	1.3%	-5.2%	4.2%	8.2%	8.8%
Information Technology	7.6%	12.7%	16.7%	20.2%	22.1%
Others	91.3%	NM	NM	NM	NM
Total	1.6%	-2.4%	6.9%	11.3%	13.0%

## ESG Matrix Framework:

### Environment

Parameters	Rating	Comments
Climate	★★	Total GHG Emissions (tCO2e) increased from 20,211.19 in FY23 to 25,815.37 in FY24.
Waste & Effluent	★★★	In FY24, the Group reduced its general waste to 1,249.20 metric tonnes, as compared to 1,329 metric tonnes in FY23.
Energy	★★	In FY24, the Group's total fuel consumption amounted to 6,947,721.32 litres, reflecting an increase of 209,854.78 litres compared to FY2023, where fuel consumption stood at 6,737,866.54 litres.
Water	★★	The Group recorded total water consumption of 74,213.6 m <sup>3</sup> in FY24, reflecting an increase from 63,069 m <sup>3</sup> in FY23.
Compliance	★★★	In compliance with local environmental regulations.

### Social

Diversity	★★	Male-dominated workforce, 81% male and 19% female composition.
Human Rights	★★★	0 human rights violations and incidence of non-compliance with regards to labour matters recorded in FY24.
Occupational Safety and Health	★★	15 workplace accident cases took place in FY24.
Labour Practices	★★★	Fully compliant with the Employment Act 1955, ensuring adherence to all government regulations and the national minimum wage policy.

### Governance

CSR Strategy	★★★★	Organised programmes to boost the local's economy through entrepreneurship especially targeting the young entrepreneurs who drive local business growth and job creation. In FY24, the Group made a significant impact on 43,759 individuals through a total investment of RM87,749.35.
Management	★★★	3/10 female board composition, 5/10 independent directors.
Stakeholders	★★★	Major announcements and financial reports were announced in timely manner.

Overall ESG Scoring: ★★★

#### Recommendation Framework:

**BUY:** Total returns\* are expected to exceed 10% within the next 12 months.

**SELL:** Total returns\* are expected to be within +10% to -10% within the next 12 months.

**SELL:** Total returns\* are expected to be below -10% within the next 12 months.

**TRADING BUY:** Total returns\* are expected to exceed 10% within the next 3 months.

**TRADING SELL:** Total returns\* are expected to be below -10% within the next 3 months.

\*Capital gain + dividend yield

#### Sector Recommendations:

**OVERWEIGHT:** The industry defined by the analyst is expected to exceed 10% within the next 12 months.

**NEUTRAL:** The industry defined by the analyst is expected to be within +10% to -10% within the next 12 months.

**UNDERWEIGHT:** The industry defined by the analyst, is expected to be below -10% within the next 12 months.

#### ESG Rating Framework:

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

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As of **Tuesday, 03 Feb, 2026**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.